

Neoliberalism and Higher Education and Its Influence on Education Policy Making

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Abstract: The ascendancy of neoliberalism and the associated discourses of ‘new public management’, during the 1980s and 1990s has produced a fundamental shift in the way universities and other institutions of higher education have defined and justified their institutional existence. The traditional professional culture of open intellectual enquiry and debate has been replaced with a institutional stress on performativity, as evidenced by the emergence of an emphasis on measured outputs: on strategic planning, performance indicators, quality assurance measures and academic audits. This paper traces the links between neoliberalism and globalization on the one hand, and neoliberalism and the knowledge economy on the other. It maintains that in a global neoliberal environment, the role of higher education for the economy is seen by governments as having greater importance to the extent that higher education has become the new star ship in the policy fleet for governments around the world. Universities are seen as a key driver in the knowledge economy and as a consequence higher education institutions have been encouraged to develop links with industry and business in a series of new venture partnerships. The recognition of economic importance of higher education and the necessity for economic viability has seen initiatives to promote greater entrepreneurial skills as well as the development of new performative measures to enhance output and to establish and achieve targets.

Keywords: Policymaking, influence, education, neoliberalism, higher education.

INTRODUCTION

Over the last several decades, education in the United States and elsewhere has undergone a profound transformation. In the not so distant past, students attended the school to which they were assigned, learned from teachers who used and adapted the school’s and district’s curriculum, and were evaluated based on teacher-prepared assignments. Now, students often ostensibly choose which school to attend (although some students have significantly more choices than others), and learn from teachers who teach what is needed to do well on the state’s standardized tests [1]. These changes reflect policymakers’ greater faith in markets and competition than in teachers and students. Furthermore, data from the United States and the United Kingdom show that rather than the reforms improving education for all, they result in increasing educational inequality. It has sometimes been said the neoliberal era has passed. In this book, we raise serious doubts about the alleged demise of neoliberalism. Over the years, neoliberalism has demonstrated certain elasticity, allowing, for example, for the extremes of Thatcherism and Rogernomics on the one hand and the ‘Third Way’ (or ‘new progressivist’) politics of Blair and Clinton on the other. It is true that for many on the political left, the ethical socialism of ‘Old Labour’ has been self-consciously abandoned. Of course, there is no

rigid separation between different historical eras or systems of thought. But there is nothing substantial in the policy agendas of current Labour governments (in the UK, Australia, and New Zealand, for instance) to suggest a strong commitment to socialist principles. There has been a softening of some of the ‘hard edges’ of neoliberalism, but the dominance of the market as the model for many areas of economic and social activity remains largely unquestioned. Indeed, senior political figures in contemporary Labour parties sometimes feel a need to stress that they are ‘pro-business’ and that being competitive on the world stage is a key national goal [2]. The old socialist ideal of overthrowing capitalism appears to have disappeared, or at least to have been pushed well and truly to one side. In New Zealand, there have since 1999 been some important changes in industrial relations legislation (with the replacement of the Employment Contracts Act by the Industrial Relations Act), benefit levels have been raised somewhat, and the government has made a significant commitment to programmes of Māori development. But the overall framework within which policy decisions are made has not altered [3].

The influence of globalization on higher education

The influence of globalization on higher education can be viewed through neoliberal ideology;

this encompasses ideologies of the market; new institutional economics based on cost-recovery and entrepreneurialism; accountability; and new managerialism [4]. Neoliberal managerialism in higher education is a concept related to corporate cost-cutting and the commercialization universities [5].

The neoliberal economic agenda is leading to decreasing funding for public services around the world; in education, this agenda attempts “to weaken public control over education while simultaneously encouraging privatization of the educational service and greater reliance on market forces” [6]. Globally, decreased public funding of higher education is affecting institutions and systems. Neoliberalism assumes that the market is more efficient than the state, so goods and services once considered public should become privatized, which also frees up capital for the market. “It seems that the policy of privatizing public science and its institutions has proceeded ideologically rather than by rational calculation. Such policies are assumed to fuel innovation and maximize wealth creation, but that is a highly contested assumption” [7]. Higher education institutions must adjust, and are looking across borders for examples of adaptive and entrepreneurial organizations [8].

Change in the economics of academia

This coincides with large-scale changes in the economics of academia. There is a global trend of cost sharing in funding higher education, which places a greater burden on individual students [9]. This era of privatization and deregulation coincides with increasing claims on public money [10, 11]. Slaughter and Leslie coined the phrase, *academic capitalism*, to explain institutional and professors’ market (like) efforts to secure external funding in response to global political and economic changes. These institutional and faculty responses interact with a push for the development of a well-educated citizenry and surging increases in enrollment.

Neoliberalism and higher education

Neoliberalism is an ideology based on individual economic rationality and the idea that a weak state is better than a strong state, and what is private is necessarily good and what is public is necessarily bad [12]. This ideology calls for a dismantling of the Keynesian welfare state and the withdrawal of the state from the economy [13, 14]. Neoliberalism promotes the policies of deregulation (freeing capital mobility); privatization; and liberalization (including weakening trade protection and tariff reductions) [15].

Neoliberal governments promote notions of open markets, free trade, reduction of the public sector, decreased state intervention in the economy, and the deregulation of markets” [16]. The goals of the neoliberal ideology are to reduce fiscal pressure on

public enterprises by privatization and to deregulate practices of the state [13, 17]. Some see globalization as a discourse of neoliberal capitalism [18]. It is important to distinguish between globalization as a process of increased connectedness and communication and a conception of neoliberal forms of globalization that incorporate market ideology and business practices. Much of the resistance to globalization is centered on the political elements of globalization, which are so strong that some see globalization as a cover-up for the neoliberal agenda; which declares that markets, not states, should dominate [12]. This study uses the term “neoliberalism” to encompass the political and economic aspects of globalization that are affecting higher education.

Neoliberalism manifests in three major trends in higher education: privatization, commercialization, and corporatization [19]. Neoliberal economic policies in higher education are characterized by the growth of capitalist and corporate influence [12, 18, 20]. “In the neoliberal model higher education is ideally integrated into the system of production and accumulation in which knowledge is reduced to its economic functions and contributes to the realization of individual economic utilities” [16].

Much current research in higher education revolves around changes wrought by neoliberalism, including: academic stratification of the disciplines [21, 11]; technology transfer [17]; privatization [22, 23]; the rise of managerialism in higher education [24], particularly the adoption of practices and values from the private sector such as accountability; the vocationalisation of the curriculum [25, 26]; corporatisation [17, 23]; commercialization of athletics, research, and the educational process in higher education [27]; students as consumers and customers [28]; and a global trend of increasing consumerism and corporatism inside the classroom [29]. Neoliberalism is also related to recent shifts in higher education funding towards the hard and applied sciences (fields close to the market) and away from the social sciences and humanities [17, 10].

CONCLUSION

The most significant material change underpinning neoliberalism in the 21st century is the rise in the importance of knowledge as intellectual capital. This change, more than any other, propels the neoliberal project of globalisation. This project is an outcome of the Washington Consensus and is modelled by world policy agencies such as the IMF and the World Bank. It has predominated in world policy forums at the expense of alternative accounts of globalisation. It is an account that universalises policies and obscures country and regional differences. It also denies the capacity of local traditions, institutions and cultural values to mediate, negotiate, reinterpret and

transmute the dominant model of globalisation and the emergent form of knowledge capitalism on which it is based. Yet voices of criticism, even from mainstream economists, have been raised against this monolithic and homogenising model of globalisation.

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