

Neoliberalism, Networks and Knowledge: The commercialisation and resituating of universities

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*The influence of new “edu-businesses” on policy makers and administrators represents the most recent expansion of neoliberal inspired marketisation into higher education. It is also a sign of the expansion of a new, networked structure of policy making and institutional governance. **Steven Ward** discusses the profound changes in the way universities today are expected to interface with the states that support them, as well as the new assortment of “stakeholders” that influence their activities.*



For the last four years in the desert outside of Phoenix, Arizona an annual “education innovation summit” has been held that the promoters have dubbed “Davos in the Desert.” Sponsored by education organizations, such as Arizona State University and the for profit Apollo Group (owner of the online University of Phoenix), philanthropic foundations, such as the Bill and Melinda Gates Foundation and the Lumina Foundation, textbook giants Pearson and Scholastic, and venture capital firms, such as ABS Capital Partners, the gathering is designed to, in the words of the organizers, “Bring together the world’s most visionary, passionate, and energetic players in the education innovation space.” In this year’s spring meeting, 173 mostly for profit education companies were present providing a wide variety of education services ranging from a “pocket literacy coach” that sends text messages to parents about how to improve their child’s literacy to a new company called Degreed that “scores and validates users’ lifelong education from any source,” including formal education from universities and informal education providers such as Mozilla Badges and iTunesU. The Summit also included more well-known companies, such as Coursera, the two year old Silicon Valley startup that has begun offering “online MOOCs” (Massive Open Online Courses) to some 62 universities worldwide.

Since its inaugural meeting in 2009 the impact of this “Davos in the Desert” on education practices has continued to grow. For instance, in the US many of the ideas and products that are pitched at the Summit have begun to appear at the annual meetings and websites of professional education groups such as the American Association of School Administrators, comprised of school principals and superintendents, and the American Association of State Colleges and Universities where provosts and deans from American public universities meet annually to discuss the latest trends in higher education.

The influence of these new “edu-businesses” on policy makers and administrators represents the most recent expansion of neoliberal inspired marketisation into higher education; however, it is also a sign of the expansion of a new, networked notion of policy making and institutional governance. This new emerging structure is composed of a complex assortment of universities, policymakers, state education bureaucracies, philanthropic organizations, think tanks, education companies and venture capitalists (For instance some 16 million dollars of funding for establishing Coursera came from the venture capital firms Kleiner, Perkins, Caufield & Byers and New Enterprise Associates). It is an example of what William D. Eggers describes as “governing by network” that is increasingly evident throughout politics today.

This commercialisation and resituating of universities is ultimately traceable to the neoliberal politics and policies that rose to prominence over the past few decades. Key to the larger neoliberal restructuring of the economy and politics was an attempt to bring a “bottom line” economic rationality into the working of the public sector. Just as the “Reengineering of the Corporation” was an economic necessity for businesses, so too was the reformulation of governmental institutions through the introduction of a “New Public Management” (NPM) grounded in the theoretical insights provided by public interest theory.

As NPM advanced it began to generate new forms of institutional governance that were less centred in the activities of the bureaucratic state but instead were spread across a network of so-called “stakeholders;” some of which were private, and some of which were public but reconfigured to act as if they were private, and some of which were new, unique amalgamations called private/public hybrids. NPM was also responsible for introducing a new customer service orientation into public organisations; recognisable in education as the “student as consumer model.” As a consequence, like the inspirational posters found in corporate boardrooms, universities began touting certain “centres of excellence,” engaging in niche marketing to appeal to customers fitting particular demographic profiles and producing glossy promotional materials and sophisticated websites filled with air brushed photos of happy students, proud parents and distinguished faculty.

Neoliberal politicians largely saw universities as the engines of “endogenous economic growth.” As such, they needed to be reconfigured to provide the epistemic materials for post-industrial production by becoming settings for entrepreneurial innovation, business incubation and technology transfer and by providing a well-trained and flexible labour force that could continuously be retrained as needed. To accomplish this, universities needed to undergo a Schumpeterian “creative destruction” of their own kind, or what the Harvard Business School guru Clayton Christensen calls “disruptive innovation.” In this new “enterprise” or “entrepreneurial” setting universities are called on to serve the needs of society, however, that “society” has become reinterpreted to mean markets and not “humankind,” “citizenship,” “the public,” or even the nation state.

Such a role for knowledge in the new economy is also present in so-called knowledge region or city initiatives, such as those scattered around the world in places like Manchester, Melbourne, Australia and Austin, Texas. These knowledge society policies began to open university research up to a group of new, outside agents. While links between universities and businesses are not new, those generated by knowledge society policies involve a much more managed arrangement involving a series of new players playing more influential roles. In this new arrangement researchers are now linked with city, regional and national policy makers seeking to expand productivity, companies trying to use universities as product development labs, and venture capitalists who are out to fund the most patentable product.

Not only has research been greatly affected by the new network governance so too has the delivery of that research through teaching. Recently in the US a group of twelve universities agreed to team up with the for profit company Coursera to offer MOOCs to students. Under one model Coursera would charge a university \$3,000 for course development and then a pro-rated per-student fee. At Massachusetts Bay Community College a similar experiment is currently underway with another MOOC vendor (in this case a non-profit company called edX). Sponsored in part by the Gates Foundation, this experiment uses a “flipped classroom” format where students watch lectures provided by edX and then attend class to have questions answered by their local (and increasingly deskilled) professors who have been reduced to a supporting role (much like teachers using standardized content providing by textbook companies).

What these developments reveal are the profound changes in the way universities today are expected to interface with the states that support them, as well as the new assortment of “stakeholders” that influence their activities. Unlike the liberal universities that were often indirectly governed by a “facilitatory state,” the neoliberal universities of today are required by the “competition state” to serve as moulders of labour force needs, incubators of innovation and sites of knowledge transfer. The liberal or liberal-socialist model of governance largely left public universities alone to run their own affairs. In this model, universities were indirectly steered through funding mechanism, however, they were generally allowed to organize themselves and disciplines and professors were allowed to set their own epistemic agendas. However, in the new, more decentralized or network form of governance universities are expected to coordinate their activities with a variety of “players.”

The influence of this new model has been slowly playing itself out in different forms and national contexts over the last few decades with various starts and stops. It now seems, however, these changes are accelerating and are generating a new university form, composed of entrepreneurial universities, enterprising professors, and consumer

oriented students. It is also seems to be producing a type of knowledge that must always and everywhere be directly useful in order to be legitimate. All of this is, as Stephen J. Ball and Carolina Junemann (2012) remind us, constitutes a “return to the patchwork of provision and providers” reminiscent of the nineteenth century.

Note: This article gives the views of the author, and not the position of the British Politics and Policy blog, nor of the London School of Economics. Please read our [comments policy](#) before posting.

About the Author

Steven Ward is Professor of Sociology at Western Connecticut State University in the US. His most recent book was entitled *Neoliberalism and the Global Restructuring of Knowledge and Education* (Routledge, 2012).