Marek Kwiek

The University and the State

A Study into Global Transformations

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For Krystyna and Natalia

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INTRODUCTION

The University in a Global Age

1.

In the context of the present book, we are taking as a point of departure a number of loosely interrelated assumptions. First, higher education has been largely publicly-funded in its traditional European forms and its period of greatest growth coincided with the development of the post-war welfare state. Second, we are currently witnessing the growing significance of knowledge production, acquisition, dissemination and application in the emergent knowledge-based societies and economies on the one hand – and the still mostly traditional role of European higher education systems in the (shrinking, being restructured, retrenched etc) public sector on the other. Third, we are witnessing the pressures of global forces on both national policies with respect to the welfare state and on national budgets accompanied by the ideas (and ideals) of the "minimalist" – or, more recently, "effective", "intelligent" etc – state with smaller social duties than we were used to in the West under post-war welfare systems. Fourth, we are witnessing more general attempts at a reformulation of the post-war *social contract* which gave rise to the welfare state as we know it (with public higher education as we know it). Given all these assumptions, and many other accompanying factors, what is the future of our universities? What is going to happen to their *uniqueness* in society, culture, politics, and the economy? What is going to happen to the traditional *idea* (although in

many different forms) of the university in the new world we are entering?

One of the central theses of the present book is that it is not satisfactory to discuss the institution of the university solely or mostly in the context of (national or comparative) higher education studies. The picture of the contemporary dynamics surrounding the institution and, especially, its future in increasingly knowledge-based and market-driven societies and economies, can no longer be discussed solely in traditional, relatively self-enclosed disciplinary contexts. Consequently, the university here is seen from a variety of perspectives and through the lenses of a wide range of disciplines (political economy, sociology, political sciences, philosophy etc). We begin from the fact that the nation-state has for a period of almost two hundred years forged links with the modern institution of the university as the provider of national consciousness and national culture, as well as the social and national glue for emergent European nation-states (Chapter 3); and begin from the fact that the welfare state has contributed to an unprecedented growth in public higher education and the unprecedented educational attainments of individuals, social groups, and nations, especially in the post-war period (Chapters 4 and 5). There are many issues that need consideration: the transformation in the ideals of the state and its social responsibilities in a period of global capitalism; the transformation of the public sector in general, including the reforms in pensions, health care and educational services; the gradual decline of the traditional "Humboldtian" idea of the university; the changing relations between state and market forces in providing different public services, including higher education; the collapse of the "communist" alternative following the peaceful revolutions in Central and Eastern Europe in 1989 and its ideological influence on the future of global capitalism; the emergent new (both European and transnational) discourses on higher education and its reforms – especially the convergence of new discourses on the institution of the university as exemplified in recent years by such different players as the European Commission, the World Bank and the OECD; the European integration of higher education and research as a challenge

to the traditional models of higher education in Europe (with the Bologna process increasingly seen as following the logic of the "Lisbon strategy" for the reform of the European economy, welfare and education by 2010); the emergent "knowledge societies" with their direct needs to be catered for by educational institutions; and finally, the direct and indirect influence of the widely felt (culturally, politically, technologically and economically) effects of globalization.

The accompanying questions are the following: under the pressures of globalization, is there an increasing primacy of the market over the state as one of the main societal steering mechanisms? As educational policies in a European welfare-state context used to view higher education as a mostly public (or social) good, and as this view justified an ever increasing or at least good funding for national higher education and research and development systems – does the emergent redefinition of higher education as a private good (or individual good) favor a smaller funding engagement on the part of the state?[1] Or maybe the view of higher education as a private good is balanced by the increased need for higher education in knowledge-based societies, so that from the perspective of "social capital" it allows universities to continue to rely solely or mostly on public funds for their functioning? There is a clear paradox here: higher education is seen as more important than ever before in terms of the competitiveness between nations, but though the importance of "knowledge" in our societies is greater than ever, at the same time, along with the pressures to reform current welfare state systems, the capacity of national governments to finance higher education is considerably weaker than in previous decades, and may tend to be even smaller in the future. National governments have little room for maneuver in allocating parts of the budget to different sectors, not to mention the growing problems of

[1] It is also interesting to bear in mind a distinction drawn recently by Per Nyborg in "Higher Education as a Public Good and a Public Responsibility" between the notion of *public good* and that of *public responsibility* with respect to higher education. He argues that it may be more relevant to explore the implications of the public responsibility for higher education than to focus solely on the concept of the public good (Nyborg 2003: 355–356).

efficient tax collection in the new global economy.[2] Given the emphasis on the importance of knowledge production and dissemination in the emergent "knowledge societies", somehow paradoxically, and somehow unexpectedly, higher education has found itself – along with other welfare services, but after health care provisions and national pension systems – part of the reforms in public sectors worldwide. The tension between the general attitude of governments and populations (education perceived as perhaps *the* primary asset of the individual) on the one hand and the inability or unwillingness of the very same governments to maintain current levels of funding for it, not to mention the raising of the level of public funding for higher education and research in public universities – is as strong as never before.[3]

Consequently, what can be clearly seen is the convergence of educational policies across the world in which higher education is often no longer viewed as something special or unique but as a direct, increasingly measurable factor for developing new knowledge-based economies. Global economic constraints, felt the world over, clearly limit the policy choices of national governments (including policy choices in education[4]) and considerably reduce their room for

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[2] Vito Tanzi in his "Taxation and the Future of Social Protection" evokes the image of *fiscal termites* and claims that globalization may effect the existing welfare states most directly through its effect on tax systems: "while the fiscal house is still standing and looks solid, one can visualize many fiscal termites that are busily gnawing at its foundations" (Tanzi 2001: 192).

[3] One of the most lucid expressions of the disenchantment of academia today is Zygmunt Bauman's sad remark that "the burden of occupational training is shifting gradually yet steadily away from the universities, reflected everywhere in the waning willingness of the state to subsidize them from the public purse. One is inclined to suspect that if the intake of universities is not yet falling sharply, it is to a large extent due to their unanticipated and bargained-for role as a temporary shelter in a society afflicted by structural unemployment; a device allowing the newcomers to postpone for a few years the moment of truth that arrives when the harsh realities of the labour market need be faced" (Bauman 2001: 131).

[4] *Constructing Knowledge Societies*: *New Challenges for Tertiary Education*, a recent major policy paper on higher education published by the World Bank, gives certain general recommendations for funding the sector: "While there is no magic number defining the 'correct' proportion of resources to be devoted to tertiary education, certain guidelines can be applied ... Looking at the experience of OECD countries that

maneuver. What is increasingly evident on a global scale is "the market perspective" when thinking about public services, in the aforementioned health care, pension and education sectors; along with the perspective of the "freedom of choice", especially appealing in societies with larger and more affluent middle classes.[5] In another context, the institution of the university is playing a significant role in the processes relating to the emergence of common European higher education and research spaces. What is clear, though, is that in neither of them is the university seen in the traditional way we know from the debates prior to the advent of globalization, the speeding up of the process of European integration and the passage from industrial and service societies to postindustrial, global, knowledge and information societies (see Kwiek 2000a). The institution, in general, has already found it legitimate, useful and necessary to evolve together with the radical transformations of the social setting in which it is functioning, as discussed in Chapter 6.

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have emphasized the role of education in supporting economic growth and social cohesion, it would seem that an appropriate range for the overall level of investment in education as a share of GDP would be between 4 and 6 percent. Expenditures on tertiary education would then generally represent between 15 and 20 percent of public education expenditures" (World Bank 2002: 82).

[5] As Stein Kuhnle argues in his paper on the "Survival of the European Welfare State" about the declining relative role of the state in the coming decades, "more wealth in society and higher incomes for a large part, for a large majority, of the population in a country give greater meaning to the concept 'freedom of choice' …: greater individual economic resources make 'exit' from an organization possible, and greater individual resources make it more likely that possible alternative providers will arise as a reaction to subjectively felt poor quality, or declining quality of services, or unmet demand, in – in this case – the public state welfare system" (Kuhnle 1999). High income and personal wealth mean freedom of choice, and the future choice will increasingly be between public and private providers of welfare services. In affluent societies, consumers develop diversified needs and, the argument goes, seek market substitutes for the public provision of goods. Consequently, "more space for market and 'third sector' solutions will be opened". What does it mean in the long run? Kuhnle expects that more mixed welfare provision may give new generations a new experience, thus slowly reducing their expectations towards the welfare state and public services: "younger generations will grow accustomed to finding non-public solutions, and most likely, more frequently, also solutions outside the nation state" (Kuhnle 1999: 6–7). Consequently, to generalize the point, we may expect less *state* welfare accompanied by more *market* welfare.

All the above contexts seem crucial to the present author. Basically, each of them deserves a separate monograph as the scope of the problems is enormous and the number of reports and publications (as well as the scope of the accompanying public debates) is huge. The idea of the present book, though, is rather an attempt to briefly sketch an overview of possible future studies, to try to analyze the interconnections between the major contexts described above, and to see how they may work together. Consequently, a book intended to have as its topic the university in a global age, inevitably turns out to be a book about our new, radically changing world, with its changing society, economy, politics and culture.[6] Current and future transformations of the university are seen from the perspective of current and future transformations of the state.

Chapter 1 analyzes the location of the institution of the university "between the state and the market" through the following points: the impact of market forces on the university's functions and missions; the unique character of current changes to higher education systems; the relationship between globalization processes and the growing competition in the public sector generally; and, finally, the interdependence of ongoing thinking about the state (and in some places reforming the state) and ongoing thinking about the university (and in some places reforming the university). The point of departure of the chapter is that the university in its modern research form has traditionally, and especially in Europe, been in very close relations with the state and in relatively distant relations with the market. Now, as state/market relations are changing with the advent of globalization, the university is located in a different landscape in which the state is generally becoming weaker, and the market is becoming stronger. Consequently, the university, traditionally a very important part of the public sector, is coming under public scrutiny and its social and cultural missions are being increasingly challenged. The present author argues that market forces in higher education are

[6] As Geoffrey Garrett put it in "The Causes of Globalization", "there is little disagreement these days that globalization is changing the world, rapidly, radically, and in ways that may be profoundly disequilibrating" (Garrett 2000a: 1).

powerful new forces and that they often come as a result of the powerful pressures of globalization, especially on the institution of the state; also, they will be increasingly present in higher education for a variety of political, economic, and cultural reasons, though they may be of different strengths in different parts of the world. Globalization theories and practices are changing traditional relations between the state and the market: the state is increasingly seen as merely a "regulator" or "catalyst" for entrepreneurial activities. Globalization processes and fierce international economic competition have brought back to the world agenda the issue of the role of the state in the contemporary world. To sum up, rethinking the university today is inseparable from rethinking the state: firstly, the modern research university was put at the disposal of the nation-state by its German philosophical founders, as shown in Chapter 2, changes to the state affect the university, as detailed in Chapter 3; and, secondly, the university is traditionally a vast consumer of public revenues within the Keynesian model of welfare states as discussed in Chapter 4. Both the nation-state and the welfare state are now under new global pressures – which has an indirect impact on the university's future.

Chapter 2 revisits the philosophical origins of the modern university and its classical *idea* as born in the nineteenth-century Germany through Wilhelm von Humboldt, Johann Gottlieb Fichte, Friedrich Schleiermacher and Friedrich W.J. Schelling (as embodied in the University of Berlin), and takes as its point of departure two different criticisms from twentieth-century philosophy: those of Karl Jaspers and Jürgen Habermas. The foundations of the so-called Humboldtian model of the university are discussed through such basic points as the notions of *Bildung* and "knowledge for its own sake" (Humboldt); the rebirth of the German nation through education (Fichte); the relationship between the state and the university and the notion of academic freedom (Schleiermacher); and the role of philosophy and historical/philosophical heroes in the history of nations (Schelling). There are certainly several parallel readings of the historical coincidence which propelled German philosophers to engage in conceptualizing the new research-centered

university, but the historical, sociological and philosophical narrative of the coterminous birth of the *modern institution of the university* and the *emergence of the nation-state* seems very much convincing. Assuming the narrative gets the picture right, the state during a large part of the nineteenth century wanted the university to serve the dual purpose of national knowledge production and the strengthening of national loyalties (a theme which is developed separately in Chapter 3). More generally, there are three main principles of the modern university to be found in the founding fathers of the University of Berlin: the unity of research and teaching, the protection of academic freedom, and the central importance of the faculty of philosophy. The three principles are developed, to varying degrees, in Schelling, Fichte, Schleiermacher and Humboldt. Together, the three principles have guided the modern institution of the university through the 19th century to the 20th century. The modern university as seen in this chapter was put at the disposal of the emergent nation-state, with all its consequences for the power/knowledge relationship. As the role of the nation-state in the global economy is changing, so may be the relationship between the university and the nation-state today.

In connection with discussions on the changing role of higher education and the changing social mission of the modern university, the two crucial dimensions of the state in transition are its relation to the welfare state on one hand and its relation to the nation-state on the other. Both dimensions of the state are closely linked to higher education, especially to its elite segment, the institution of the university: which has been mostly state-funded as part of the well-developed post-war Keynesian welfare state apparatus, and which has been closely (or very closely) related to the modern construct of the nation-state.

These ideas are dealt with in Chapters 3 and 4 with the theme of the modern contract between the nation-state and the university being developed in Chapter 3, while in Chapter 4 the possible impact of current reformulations of the welfare state on the institution of the university is discussed. Chapter 3 analyzes the university/nation-state relationship through the following sections: the new role of the nation-state in an emergent global order; the historical pact between the

modern university and the modern state; the three camps of social thinkers with respect to the impact of globalization on the nation-state; and the relationship between globalization and the public sector, higher education included. The present author assumes that it is crucial to see not only the historical relationships between the university and the nation-state but also the current impact of globalization on the institution of the state; consequently, we discuss the current rethinking of the nation-state in the context of globalization. Once the major directions in rethinking the nation-state today are established, we will be able to see the possible long-term consequences for education of such new accounts of the nation-state. The three camps with respect to the issue of the present and the future of the nation-state include those who pronounce its demise, those who maintain that generally nothing substantial has changed in recent decades, and those who see the transformation of the nation-state as fundamental (but not deadly to it). The authors discussed include e.g. Jean-Marie Guéhenno, Kenichi Ohmae, Martin Albrow, Robert B. Reich and Susan Strange (and provisionally Ulrich Beck and Zygmunt Bauman, discussed separately in Chapter 5) representing the globalists; Paul Hirst and Grahame Thompson, Linda Weiss, Robert Boyer and Daniel Drache, Stephen D. Krasner, and John Gray representing the skeptics; and, finally, Anthony Giddens, Saskia Sassen, Manuel Castells, Jan Aart Scholte, James N. Rosenau, David Held (with Anthony McGrew, David Goldblatt, and Jonathan Perraton) representing the moderates.

Chapter 4 analyzes the university/welfare state relationship through the following sections: debates on the future of higher education in the context of the debates on the future of the welfare state; current thinking about the future of the welfare state; the current pressures for the retrenchment of the welfare state (in affluent democracies); and two contrasting positions taken with respect to the impact of globalization upon the welfare state: globalization as *the* fundamental factor behind the retreat of the welfare state and globalization as a significant but not critical factor. The chapter begins with a section putting the debate on the future of the university in the context of the much wider debate on the future of the public sector (and state intervention in, or provision of, traditionally public services). The present author argues that there

seems to be no major disagreement about the future of the (European) welfare state in its current postwar form: its foundations, for a variety of internal and external reasons and due to a variety of international and domestic pressures, need to be *renegotiated* today. Major differences are based on different explanations about what has been happening to the European welfare state since the mid-1970s until now, about different varieties of restructuring in different European countries, and different degrees of emphasis concerning the scope of welfare state downsizing in particular countries in the future. In more general terms, the most interesting issue is the differing options with regard to the role of globalization in redefining the model of the welfare state that are possible today. Globalization and the welfare state is the issue that most sharply divides current researchers on welfare issues and the future of the welfare state is crucial for the future of the institution of the (public) university today. The present author argues that the social phenomena of greatest interest to him in the present book – such as the recommodification of society, the desocialization of the economy, the denationalization of both societies and economies, the deterritorialization and despatialization of economic activities, the changing distribution of risks in society, the growing individualization, the growing market orientation in thinking about the state and public services, the disempowerment of the nation-state, the globalization and transnationalization of welfare spending patterns, the detraditionalization of nationhood and citizenship – all influence the way welfare issues are perceived, how problems are seen as problems and how solutions accepted as solutions. And these processes are at least intensified by globalization. The book goes on to argue that what we can see as the current situation of the welfare state, and how we can see the issue, is largely framed by the processes, phenomena and interpretations that globalization has already brought about.

Chapter 5 discusses the nexus of globalization, the future of the welfare state and the future of democracy, as seen by three leading European social scientists: Jürgen Habermas, Ulrich Beck, and Zygmunt Bauman. They view the issue from a wider perspective and provide additional arguments, through their rethinking of the welfare

state, for the present author's point that the transformation of public higher education on a global scale is unavoidable. Habermas, Beck and Bauman, despite coming from different philosophical and sociological traditions, agree on one point about the future of the welfare state in Europe: the transformations we are currently witnessing are irreversible, we are passing into a new age with respect to the balance between the economic and the social. With respect to welfare futures, the emergence of Habermas' "postnational constellation" carries similar message as the emergence of Beck's "second, postnational modernity" and Bauman's "liquid modernity": the traditional postwar Keynesian welfare state, with its powerful "nation-state" component, is doomed, and for the three thinkers the culprit behind the end of this social project in Europe is globalization, in its theories and its practices. None of them focuses on the internal developments of the European welfare state (like changing demographics, including the aging of Western societies; shifts in familial structures; the burden of past entitlements within the inter-generational contract between the old and the young, the working and the unemployed etc); they clearly link the new geography of social risks and uncertainties with the advent of – mainly economic – globalization.

Chapter 6 discusses the future of the university in the context of new European educational and research policies: a pan-European project for the integration of higher education and the emergence of the so-called European Research Area. Consequently, the present author focus his attention on such points as the emergence of the "Europe of Knowledge" and the revitalization of the project for European integration through education; the evolution in European higher education policies over the last decade; the redefinition of the roles and missions of the university in the Bologna Process; and a new powerful EU discourse on the fresh tasks for the institution of the university. The book argues that the recent EU discourse leaves no doubts about the direction of changes in the social and economic roles of the institution of the university in emergent "knowledge societies". In the new global order, universities are striving to maintain their traditionally pivotal role in society. The role of universities as engines of economic growth, contributors to economic competitiveness and

suppliers of well-trained workers for the new knowledge-driven economy is being widely acknowledged – which is undoubtedly a radical reformulation of the traditional social roles of the university. The university in a European context seems to be entering a new era of its development. The main reasons for the transformations include the globalization pressures on nation-states and its public services, the strengthening of the project for a "common Europe" through new education and research spaces, the end of the "Golden age" of the Keynesian welfare state as we have known it, and the emergence of knowledge-based societies and knowledge-driven economies. The foundations of the European knowledge society (and knowledge-economy) are constructed around such pivotal notions as "knowledge", "innovation", "research", "education" and "training". Education, and especially "lifelong learning", becomes a new discursive space in which European dreams of common citizenship are currently being located. A new "knowledge-based Europe" is becoming individualized (individual learners rather than citizens of nation-states) and the construction of a new educational space can contribute to forging a new sense of European identity.

2.

The new world we are approaching assumes different names in different formulations and the social, cultural, and economic processes in question are debated in the multiple vocabularies of the social and economic sciences: for some theorists, the processes of the last two decades or so are referred to as "postmodernity" (Jean-François Lyotard and Zygmunt Bauman, though Bauman has recently favored the term "liquid modernity"), for others as "the second modernity" (Ulrich Beck), "reflexive modernization" (Ulrich Beck, Anthony Giddens, Scott Lash), "glocalization" (Roland Robertson) or "global age" (Malcolm Waters); still other descriptions include the "network society" (Manuel Castells), the "knowledge and information society" (Peter Drucker) or, on more philosophical grounds, the "postnational constellation" (Jürgen Habermas). For almost all of these analyses,

globalization as widely understood is of primary importance. As a leading German sociologist, Ulrich Beck, vividly describes current transformations: "a new kind of capitalism, a new kind of economy, a new kind of global order, a new kind of society and a new kind of personal life are coming into being, all of which differ from earlier phases of social development" (Beck 1999a: 2).[7]

In this new global order, universities are striving for a new place as they are increasingly unable to maintain their traditional roles and tasks. As Zygmunt Bauman put it in his essay on "Universities: Old, New, and Different", the once evident functions of the universities are far from obvious today: "The principles which in the past seemed to legitimize beyond doubt the centrality of the universities are no more universally accepted, if not dismissed as obsolete or even retrospectively condemned" (Bauman 1997b: 49). Both the official discourses on the common European space in higher education and in research as well as a large part of the accompanying academic debates on the subject increasingly acknowledge that the current role of universities should be that of engines of economic growth for countries and regions, contributors to the economic competitiveness of nations, or suppliers of highly-qualified and well-trained workers for the new knowledge-driven economy (which is far from the traditional account of the role of the university in society). Without many discussions about principles (such as those accompanying the emergence of the Humboldtian model of the university at the beginning of the 19th century or such as the major 20th century debates about the "idea" of the university as discussed in Chapter 2), the university in its European context seems to be about to enter willy-nilly a new era of its development (see Kwiek 2003e).

I would like to refer now briefly to Ulrich Beck's account of globalization where it means above all one thing: "*de*nationalization – that is, the erosion of the national state, but also its possible transformation into a transnational state" (Beck 2000a: 14). For the

[7] Martin Carnoy describes the impact of globalization, new information technologies and innovations in a similar vein: "a revolution in the organization of work, the production of goods and services, relations among nations, and even local culture. No community is immune from the effects of this revolution. It is changing *the very fundamentals of human relations and social life*" (Carnoy 1999: 14, emphasis mine).

purposes of our study regarding the impact of globalization on educational policies and the modern institution of the university in the context of the transformations of the state, this characterization is crucial:

> If the traditional model of the national state is to have any chance of survival at all in the new power structure of world market plus transnational actors and movements, *the globalization process will have to become the criterion of national politics in every domain* (in economics, law, military affairs, and so on (Beck 2000a: 15, emphasis mine).

I would add, following Beck's logic, that there is no reason to believe that globalization processes will *not* be present in elaborating national politics in the area of higher education as well. It is this logic which requires globalization be taken into account when discussing social domains that seem connected with the modern institution of the university and I am doing this in the subsequent chapters of the present book; the idea is found in another formulation from Beck's *The Brave New World of Work*:

> But the central scientific and political problem of the second modernity is that societies must respond to such [globalization-related] changes at all levels at once. In the end, therefore, *it is illusory to debate the future of work without also discussing the future of the nation-state, the welfare-state and so on* (Beck 2000b: 18, emphasis mine).

The present book has been underpinned by a similar logic. Consequently, in my view, it is equally illusory to debate the future of (public) higher education, especially (public) universities, without discussing the complex issue of current transformations of the welfare state, the nation-state and the public sector resulting (mostly but not exclusively) from current globalization pressures. The public university is increasingly viewed as merely part of the public sector and its traditional claims to social (and consequently economic and political) uniqueness are increasingly falling on deaf ears. Reforms of the public sector are underway worldwide, and the university has probably no real choice but to participate in them. Current debates about the future of the university are more central to public policy and wider public discussions than ever before. It is hardly possible to see the transformations to the institution of the university without

seeing the transformations to the social fabric in which it has been embedded. The modern university, the product of (Beck's first, national) modernity, is under the very same pressures as other modern institutions and social arrangements.

It is interesting to evoke here Anthony Giddens' notion of "shell institutions". As he argues, with no reference to the institution of the university whatsoever,

> Everywhere we look, *we see institutions that appear the same as they used to be from the outside*, and carry the same names, but inside have become quite different. We continue to talk of the nation, the family, work, tradition, nature, as if they were all the same as in the past. They are not. The outer shell remains, but inside they have changed – and this is happening not only in the US, Britain, or France, but almost everywhere. They are what I call "shell institutions". They are institutions that have become inadequate to the tasks they are called upon to perform (Giddens 1999: 18).[8]

One side of this issue is what tasks the institution of the modern university was called upon to perform at the time of its creation (the mission of the modern university as seen through the lenses of German philosophers, Chapter 2); the other side of the issue is whether the tasks the university is called upon to perform today – in a global age – are different or not; and if yes, are these tasks slightly or vastly different? In more general terms, can the traditional "idea of the university" (as evoked explicitly by the German Idealists of the beginning of the 19th century, but later on by Cardinal Newman, Ortega y Gasset, Karl Jaspers and Jürgen Habermas) become transformed so that the university is not a "shell institution" today?[9]

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[8] Speaking of the "shell institution" of work – as Martin Carnoy (echoed by Ulrich Beck in his *The Brave New World of Work*) argues in his excellent *Globalization and Educational Reform*, "a job may not mean the same thing in the future as it does today. … Workers are gradually being defined socially less by a particular long-term job they hold than by the knowledge they have acquired by studying and working. This *knowledge 'portfolio'* allows them to move across firms and even across types of work, as jobs get redefined"; jobs become *permanently temporary* (Carnoy 1999: 33). In this context, the role of (highly differentiated) higher education in bridging the social gap between the "knowledge-rich" and the "knowledge-poor" is fundamental.

[9] It is interesting to evoke here Manuel Castells' similar idea from *The Power of Identity*, the third part of his trilogy on the information age, according to which the

There is a fundamental difference between viewing the university as properly fulfilling its modern social obligations and performing the modern tasks with which it had been burdened from its inception (and consequently not seeing the university as a "shell institution" in the sense Giddens uses the term); and viewing the university today as actually a *new* institution, with new social obligations performing new tasks. The difference is not only theoretical but also substantially practical: are Western European societies satisfied with our (mostly) state-funded educational institutions? The way we view the task of the university today determines our normative stance towards it. The university may continue to perfectly fulfill its *modern* duties *and* fail as an institution in the new world; it may also perfectly fulfill its new duties *and* (at the same time!) fail in fulfilling its *modern* obligations. The key issue is, consequently, what do societies want from the institution today? Is the modern mission of the university in its classical German formulation over, in theory and in practice? Or, maybe, although in theory the university still maintains its traditional inherited ways of viewing its own social and cultural role, in practice it is already a new institution (increasingly corporate, entrepreneurial, managerial, enterprising, privatized etc), to differing degrees in various parts of the globe? Is it possible that in the case of the university it "appears the same from the outside", "carries the same name", but "inside" it is already "quite different", to refer to Giddens again? If yes, which is probably the case in many instances, is it good for the institution and good for society? Or perhaps it is good for society *and* bad for the institution and its faculty, increasingly referred to as merely "knowledge workers"?

At what point of its evolution does the university cease to be a university? To what extent, under current circumstances, are we willing to conflate the old and the new senses of the term (our

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institutions and organizations of civil society (constructed around the democratic state and around the social contract between capital and labor) have become "empty shells", unable to relate to human lives and social values. As he pessimistically concludes, "in this end of millennium, the king and the queen, the state and the civil society, are both naked, and their children-citizens are wandering around a variety of foster homes" (Castells 1998: 355).

perception of the fully for-profit, Web-based University of Phoenix as a *university* being a practical question)?[10] Or, in other words, are we still looking for a new regulative *idea* for the institution of the university (like the grand ideas such as reason in Kant, *Bildung* or culture in Schleiermacher and von Humboldt) or are we merely inventing new, more managerial, ways for its *organization*? Is it possible to revisit the "idea of the university" in any other than a historical way? To what extent is the university still a (nation-) state arm invented by philosophical minds for the time of closed economies and sovereign and territorial national states – and to what extent is it already a business unit operating in an increasingly corporate-like manner in a time of open economies[11] and post-national "managerial", "residual" states?[12] Was Jean-François Lyotard

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[10] I am not as strict as Bill Readings in *The University in Ruins* who states that "the University is no longer Humboldt's, and that means it is no longer *the* University. The Germans not only founded a University and gave it a mission; they also made the University into the decisive instance of intellectual activity. All of this is in the process of changing: intellectual activity and the culture it revived are being replaced by the pursuit of excellence and performance indicators" (Readings 1996: 55). As historical studies of the institution show, the term is very flexible indeed. We may be saying farewell to *a certain form* of the university, the German-inspired, nation-state oriented, welfare-state supported University we have become familiar with. But we have been familiar with so many other features of the world around us which are not with us anymore. It is, of course, hard to realize that the University is also a specifically historically-rooted institution, born in particular places, for particular purposes. We may be saying goodbye only to *a* modern university, not to (Reading's) *the* university. It may make the transition easier. In a similar vein, Walter C. Opello and Stephen J. Rosow in their book on the nation-state and global order comment on the historical uniqueness of the nation-state: "the modern, territorial state is a unique historical creation of relatively recent vintage. It is not eternal, and no form of it is universal" (Opello and Rosow 1999: 225).

[11] But let us remember that economies are never entirely open or entirely closed. As Martin Wolf in his paper on "Will the Nation-State Survive Globalization?" argues, opening economies requires governments to loosen three distinct types of economic controls: on capital flows, on goods and services and on people (Wolf 2001: 184). The control of the flow of people is still quite tight.

[12] The "residual state" model is described by Philip Cerny as the one in which the major default option for governments is the "denationalized economic policy" posture: "competing with each other, similarly situated, capitalist countries in providing a

right (already in 1979 in his *Postmodern Condition: A Report on Knowledge*) when he suggested "the knell of the age of the Professor" and concluded that "the University [is] nearing what may be its end" (Lyotard 1984: 53, xxv). In larger terms, we certainly mean here the issue of the vitality of a certain political, social, cultural and philosophical project (called simply the "Modern Project" by Jürgen Habermas) in the current global setting, and – together with it – the vitality of a certain product of this project, the modern university. Lyotard in his postmodern views has no hesitations about the future of both of them, the project and the institution, on purely philosophical grounds: they are merely obsolete.[13] In more open sociological and educational terms the issue of the "idea" of the university, following its outliving of "modern" forms, is still open.

Let us be very cautious, at the same time, when discussing the relationship between the university and the state under global pressures. In different parts of the world the university-state relationship has traditionally had different forms; its current transformations, consequently, may go in different directions, despite the influence of powerful homogenizing factors. As Nicholas C. Burbules and Carlos Alberto Torres remind us, from a historical perspective,

> *There is no single way in which these institutions are associated, and no single way in which they will be affected by the conditions of globalization.* Economically, the pressures of externally imposed austerity conditions (for example, as a condition of IMF loans) may lead to savage reductions in expenditures on education; in other contexts, the desire for increased economic competitiveness and productivity may lead to increased expenditures on education (Burbules and Torres 2000: 16, emphasis mine).[14]

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friendly policy environment for transnational capital irrespective of ownership or origin" (quoted in Ruggie 1997: 8).

[13] See especially Lyotard as read by Bill Readings in *The University in Ruins* (1996) and in a variety of papers included in an excellent book edited by Michael Peters a decade ago, *Education and the Postmodern Conditions* (1995), with papers by e.g. Peters and Readings.

[14] This is exactly the way Saskia Sassen in her "Globalization or Denationalization?" – describing the processes of what she termed the "partial denationalization of specific components of national states" – urges us to think about the relationships between

Thus we need to be very cautious in our analyses and very provisional in our conclusions; we need to keep stressing which parts of the globe give supporting evidence to the ideas discussed here, which might give supporting evidence in the future, and which might provide counter-examples. It is interesting to note that in those countries having a similar position of education vis-à-vis the state, and those standing at a roughly similar level of economic development, national debates about the transformations of the welfare state (and the restructuring of the public sector) seem to be playing to the same tune (European postcommunist transition countries seem to follow quite closely the global patterns of reforming higher education and the public sector in general, already discussed but actually not really implemented in the major Western EU countries).

3.

Now let us focus briefly on the nation-state and the modern university, or on the historical pact between these two modern institutions. We have to depart slightly from Guy Neave's ground-breaking readings of the relationship between the Humboldtian university and the nation-state (as presented in recent years e.g. in such papers as "The European Dimension in Higher Education: An Excursion into the Modern Use of Historical Analogues" or "Universities' Responsibility to Society: An Historical Exploration of an Enduring Issue", Neave 2001b, 2000a). While Neave in his papers stresses that aspect of the Humboldtian – and German Idealists' generally – idea of the university in which "culture, science and learning existed *over and above the state*" and in which "the responsibility of the university was to act as the highest expression of *cultural* unity" (Neave 2001b: 25, emphases mine), the present author, in the context of his presentation of the German idea of the university

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globalization and the state. There is an "enormous variability across countries in terms of the incorporation/negotiation/resistance of globalization, since these are partly shaped by the specifics, both *de facto* and *de jure* of each country" (Sassen 2003a: 15).

in Chapter 2, would like to stress the *national* aspect of *Bildung* and the role of the university as conceived by the German thinkers in the production of national consciousness, providing the national glue to keep citizens together, fostering national loyalty and not only supporting nationhood in *cultural* terms but also the nation-state in *political* terms.

Consequently, I would like to weaken the sharp opposition presented by Neave between the Napoleonic model of the university and the *political* unity of the nation on the one hand, and the German model of the university and the *cultural* unity of the nation on the other hand. The opposition is clearly there, but the *political* aspect of the Humboldtian reforms to the German university, fully complementary with the ideal of the "pursuit of truth", should be emphasized as well. The political motif was present in German thinking about the idea of the university from Kant to Humboldt (and reached perhaps its full-blown shape in Martin Heidegger's *Rectorial Address* pronounced at Freiburg in 1933 and in his attempts to use the modern university and his philosophy-inspired reforms of it directly for the political purposes of the new Germany[15]). Speaking of French and German models of the university, Neave claims that

> Each in their particular manner enshrined a national mission, but with this difference: in Prussia, cultural unity was not coterminous with the state. … In France, the doctrine of the republic, one and indivisible, brought both Nation and State together by administrative means (Neave 2001b: 25–26).

In the context of our detailed readings not only of Wilhelm von Humboldt but also Friedrich Schleiermacher, Johann Gottlieb Fichte and Friedrich W.J. Schelling, we are inclined to stress the *combination* of cultural and political motifs in their formulations of the idea of the university rather than (following Neave) their merely cultural ones; perhaps even the political *cum* cultural motif. The classical German

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[15] I am in full agreement with Gerard Delanty (in *Challenging Knowledge. The University in the Knowledge Society*) who reminds us that Heidegger's conception of the modern university "only took to the extreme the nineteenth-century and post-Enlightenment notion of the university as the protector of national culture. The destiny of the university was linked to the destiny of the state" (Delanty 2001: 42).

notion of *Bildung* (culture) from that period, and from the writings of these philosophers, to a varying degree depending on the exact historical moment and a given author, is certainly very strongly politicized. It refers to the cultivation of the self and of the individual but also to the cultivation of the *individual as a nation-state citizen*. I am in agreement here with the late Bill Readings who emphasizes in *The University in Ruins* that German Idealists

> Assign a more explicitly political role to the structure determined by Kant [in his *The Conflict of the Faculties*], and they do this by replacing the notion of reason with that of culture [i.e. *Bildung*]. Like reason, culture serves a particularly *unifying* function for the University. … Humboldt's project for the foundation of the University of Berlin is decisive for the centering of the University around the idea of culture, which ties the University to the nation-state. That this should happen in Germany is, of course, implicit with the emergence of German nationhood. Under the rubric of culture, the University is assigned the dual task of research and teaching, respectively the *production and inculcation of national self-knowledge*. As such, it becomes the institution charged with *watching over the spiritual life of the people of the rational state, reconciling ethnic tradition and statist rationality* (Readings 1996: 15, emphases mine).

Consequently, following Readings rather than Neave on this point, this book does not draw the distinction between what was the *political* unity of the nation and what was the *cultural* unity of the nation (in their relationship to the institution of the university) as sharply as Neave does and seeks to soften this distinction considerably. In the present author's view, the national component in the German idea of the university, and the role assigned to the German nation in the writings of German philosophers accompanying the emergence of the University of Berlin, were considerable.

The tension between "the pursuit of truth" and "public responsibility" in the evolution of the modern university, Neave stresses, has been very clear in German writings on Academia. The dichotomy is clearly present in the founding fathers of the German university as well. There is a clear tension between thinking about science and the community of scholars and students: truth and universality on the one hand; and the national consciousness, nationhood, the state and academic responsibilities to them on the

other. The immediate reason to rethink the institution of the university, as the theme is developed in Chapter 2, was political: the defeat by the French on the battlefield. It was clearly Fichte who was the most nation-oriented in his ideas about the university, and it is no accident that it was Fichte's thinking that influenced Heidegger's ideas on the university most, slightly more than hundred years later.

Increasingly, at the beginning of the 19th century, culture in the sense of *Bildung* became mixed with political motivations and aspirations, focused around the notion of the German national state. It is interesting to note that in a global age, *both* (cultural and political) motifs have been put under enormous pressure. Forging national identity, serving as a repository of the nation's historical, scientific or literary achievements, as well as inculcating national consciousness and loyalty to fellow-citizens of the nation-state do not seem to serve as the rationale for the existence of the institution of the university any more; but also the production of a "disciplined and reliable workforce" is not fulfilling the demands of the new global economy[16] which requires workers with the capacity to learn quickly and to work in teams in reliable and creative ways, as Raymond A. Morrow and Carlos Alberto Torres emphasize (Morrow and Torres 2000: 33). At the same time, the disinterested pursuit of truth by curiosity-driven scholars in the traditional sense of the term is no longer accepted as a *raison d'être* for the institution either, as shown in Chapter 6 on the emergence of common European higher education policies and on the ideals of the European Research Area. Consequently, no matter whether we focus more on the *cultural* unity of the nation or on the *political* unity of the nation as the two distinct driving forces behind the development of the modern university, both motifs seem to be dead and gone in the current increasingly post-national and global conditions. Neither serving truth, nor serving the nation (and the nation-state) can be the guiding principles for the functioning of the institution today, and neither of them are even mentioned in current debates at a global or European level (it is

[16] Following Martin Carnoy, by *global* economy (as distinct from *world* economy), I understand "one whose strategic, core activities … function on a planetary scale in real time" (Carnoy 1999: 13).

sufficient to read the communications of the European Commission about the role of the university and research and development activities in knowledge-based societies or World Bank's and OECD's views on the future role of the university which are underpinning the reforms of higher education in most transition and developing countries today, see European Commission 2003b, World Bank 2002, OECD 1998).[17] As David Held and his colleagues put it recently,

> *Few areas of social life escape the reach of processes of globalization.* These processes are reflected in *all* social domains from the cultural through the economic, the political, the legal, the military and the environmental. Globalization is best understood as a multifaceted or differentiated social phenomenon. It cannot be conceived as a singular condition but instead refers to patterns of growing global interconnectedness within all the key domains of social activity (Held et al. 1999: 27, emphasis mine).

And higher education seems to be no exception here.

The rise of the nation-state in Europe went together with the incorporation of the university into the "coordinating ambit" of the state, both

> as a symbol and a repository of national identity, as an instrument for the preservation of the nation's culture and through the unification of that culture as a manifestation of a country's claim to a place amongst the nations – the cultural equivalent of today's more restricted concern with economic competitiveness (Neave 2001b: 26).

The move towards the "nationalization" of the university was strong and the process of linking the university to the national state continued throughout the 19th century (as one commentator

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[17] For international organizations, "globalization" has become a key concept "with which to interpret the enormous economic, political and cultural changes that characterize human society at the beginning of the 21st century" (Henry et al. 2001: 19). It does not change its heuristic usefulness but it does serve as a point of reference in discussions between academics and policymakers. There are certainly other broad descriptions which could be used equally well such as, say, post-Fordism, postindustrialism, informationalism, post-nationalism, late modernity, "post-work society", or "risk society" rather than "work society", and "knowledge society" rather than "industry and service society" etc but it looks like the term globalization in its current wide usage may capture them all.

remarked, "the universalization of the nation-state went hand in hand with the 'nationalization' of culture", Axtmann 2004: 260). The social purpose, missions and roles of the university in the emergent national state were redefined anew. Emergent higher education systems were clearly national systems, with their own national priorities and distinctive patterns of validation and certification of knowledge and education. Civil service in the nation-state was closely linked with national universities and at the same time scholars (especially full professors) – in some countries – gained the status of public servants. The "nationalization" of higher education was inseparable from the "nationalization" of scholars: the introduction of the civil service status for senior academics served also "to impress firmly upon the consciousness of academia its role as an emanation of the national wisdom and genius, creativity and interest" (Neave 2001b: 30).

The process of the "nationalization" of the university so vividly described by Neave seems to have come to a close right now, together with the advent of globalization. I am in full agreement with the three implications of globalization for the institution of the university which Neave draws. First, globalization brings to a close the process of the incorporation of the university into the service of the state; second, globalization redefines the place of the university in society – from "an instrument for political integration" to "part of the 'productive process'", a driver of economic integration between nations; and third, it is the corporation that becomes "the basic organizational paradigm" for the university (Neave 2000b: 16–17) or "society's central referential institution" (Neave 2001b: 48).

To rephrase it – the processes of globalization seem to disentangle the university from the state, turn the university potentially into a major player in global economic competition and increasingly impose on it corporate models of organization. Consequently, the social mission of the university is under scrutiny and such processes as privatization, deregulation and accountability in higher education appear to be moving the university "without the slightest shadow of a doubt towards a new definition of its responsibilities" (Neave 2000b: 23). The possible new future contract between society and the university may include points directly related to the academic profession – whose current status,

social perception, working and employment conditions are already under scrutiny. The direction of these changes can already be imagined from numerous studies of the academic profession from a global perspective; hopefully, they can still be renegotiated.[18]

4.

The first scholar to have focused attention on the close link between the modern university, the state and global economic transformations was the late Bill Readings in *The University in Ruins*, almost a decade ago (1996).[19] He almost never used the word "globalization" but referred to the more culturally-loaded notion of "Americanization"; he also never used the words "welfare state" or "knowledge society" or "knowledge-based economy", nor ever developed the theme of the modern university as part of the public sector and an important segment of modern welfare regimes. His vision of the university and of globalization/ Americanization, as many commentators noted, was overstated, oversimplified and exaggerated[20]; but at the same time, even in

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[18] As the first sentence of a recent synopsis report in a book on the attractiveness of the academic workplace in Europe puts it, "in many countries the career patterns and employment conditions of academic staff as well as the attractiveness of the academic workplace for the coming generation are of major concern. The concern about the attractiveness points both to the career perspectives of those working in higher education compared to other societal sectors where highly qualified work is demanded and to the recruitment of younger graduates for an academic career" (Enders and de Weert 2004: 11). Which echoes Philip Altbach's general conclusion from a global project on the academic profession that "the conditions of academic work have deteriorated everywhere" (Altbach 2002a: 3). For Poland, see Kwiek's contributions to both projects and both books (Kwiek 2004c and 2003b). See also annual reports on the economic status of the profession published by the American Association of University Professors (e.g. AAUP 2002).

[19] The book was preceded by his two complementary papers, "For a Heteronomous Cultural Politics: The University, Culture, and the State" (published in *The Oxford Literary Review* in 1993), and "The University Without Culture?" published in *New Literary History* in 1995 (Readings 1993, 1995).

[20] See especially David Harvey in "University, Inc." (1998), J. Hillis Miller in "Studying Literature in the Transnational University" (1996), Dominick LaCapra in

exaggerated forms, it may have hit the mark when discussing the university's possible future trajectories.[21] As a philosopher and student of culture, he was somewhat aware of global transformations in finance and production, of the liberalization of trade and the opening of national economies, of the convergence of global thinking about the state and its future roles – but never articulated these ideas more than in passing. His thesis of the emergence of the posthistorical *university of excellence* that is replacing the traditional modern German *university of culture* is strong but overstated in a characteristically postmodern manner.

The present author is unable to accept the thesis about the overall passage from one type of university to the other; although partly convincing, especially with respect to Anglo-Saxon countries, Readings' picture does not mention the increasing heterogeneity of the higher education sector, including the heterogeneity of universities' missions.[22] As Gerard Delanty suggests in his *Challenging Knowledge. The University in the Knowledge Society*, Readings' postmodern position has little to offer – presents no alternative scenario (Delanty 2001: 6).[23] Many others became involved in studies

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"The University in Ruins?" (1998) and L.M. Findlay in "Runes of Marx and the University in Ruins" (1997). There is also a special issue of the *University of Toronto Quarterly* devoted to *The University in Ruins: Responses to Bill Readings* (1997, vol. 66, no. 4) and a special issue of *Surfaces* on Readings (1996, vol. VI, issue 204).

[21] One of his commentators cautions us that the book "might be conceived, at best, as a narrative of potentially heuristically value rather than as a full-scale historical investigation into the development of the University as an institution devoted to the dissemination and preservation of national culture. Readings admits that his work appears inadequate when it is judged as an empirical study…" (Varadharajan 1997: 622).

[22] The appeal of presenting all-encompassing pictures is sometimes hard to resist; we need to try to suppress our homogenizing tendencies as the matter is radically heterogeneous, and the points of departure, the forces of change, and the possible points of arrival may turn out to be fully incompatible with one another, especially along the differences between developed/developing countries, as well as Anglo-Saxon/EU and old EU/new EU countries, major EU welfare state models/neoliberal welfare state model, the center/the peripheries etc.

[23] Gerard Delanty's criticism of Readings goes along the following lines: "Readings' thesis is largely a counterthesis, a critique of the prevailing order and does not offer anything of substance for those seeking an alternative institutional embodiment" (Delanty 2001: 140).

on the corporatization, marketization and commodification of the university; studies of managerialism in the public sector, including higher education, as well as in studies of the academic profession, not to mention studies of the changing role of the state under global pressures, all mostly unknown to a wider audience in the first half of the 1990s when Readings was completing his book. There is one point which I want to focus on from his book though. It is his stubborn linking of the modern university to the emergent German nation-state, and the current delinking of the institution from the state. Readings argues that

> [T]he University is becoming a different kind of institution, one that is no longer linked to the destiny of the nation-state by virtue of its role as producer, protector, and inculcator of an idea of national culture. The process of economic globalization brings with it the relative decline of the nation-state as the prime instance of the reproduction of capital around the world (Readings 1996: 3).

Without the details of the evidence provided today by political economists, political scientists, and students of globalization and of the welfare state, Readings – somehow intuitively – makes his point: the modern university has outlived itself, it is no longer functioning as an "ideological arm" of the nation-state (Readings 1996: 11. Personally, I cannot accept such a strong formulation of the role of a modern university). He views culture as a symbolic and political counterpart to the project of the nation-state:[24]

> The nation-state and the modern notion of culture arose together, and they are ceasing to be essential to an increasingly transnational economy. This shift has major implications for the University, which has historically been the primary institution of national culture in the modern nation-state (Readings 1996: 12).

The role of the nation-state through the global circulation of capital is changing, and so may be the role of the university. It does not have to

[24] Political nationalism was complemented by the "nationalization of culture", cultural achievements became claimed for "nations", culture became "nationalized" and "territorialized", as Roland Axtmann argues in his recent "The State of the State: the Model of the Modern State and its Contemporary Transformation" (2004: 260).

– although it may want to – safeguard and propagate national culture, does not have to train citizen subjects of the nation-state, does not have to watch over the spiritual life of the people, produce and inculcate national self-knowledge, or provide the social glue necessary to keep the citizens of the nation-state together.[25] Its traditional cultural and political mission of being closely related to the political project of the nation-state is clearly over, Readings argues. The decline of the nation-state changes the mission of the university:

> that mission used to be the production of national subjects under the guise of research into and inculcation of culture, culture that has been thought, since Humboldt, in terms inseparable from national identity. The strong idea of culture arises with the nation-state, and we now face its disappearance as the locus of social meaning (Readings 1996: 89–90).

What Readings merely suggested about the transformations of citizenship and national consciousness (as a necessary social glue) under globalization pressures, gains new significance today. He never mentioned neoliberal ideas of reforming the public sector, or "downsizing" and "rightsizing" of the state, or retrenchment of the welfare state, and never discussed policies for the restructuring of higher education institutions and the global convergence of education and research and development policies along the lines suggested by the emergent notions of the "knowledge society" and the "knowledge economy". But in terms of painting a *larger* picture of ongoing transformations of the institution of the university, and through reformulating his ideas into new discourses and new areas of intellectual inquiry, we can still learn a lot from him, I suppose – although in a different (pre-globalization, so to speak) vocabulary.[26]

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[25] Traditionally, as Andy Green reminds us, through national education systems (not only, or exclusively, higher education systems), nation-states "fashioned disciplined workers and loyal recruits, created and celebrated national languages and literatures, popularized national histories and myths of origin, disseminated national laws, customs and social mores, and generally explained the ways of the state to the people and the duties of the people to the state" (Green 1997: 134).

[26] Let me cite him one more time *in extenso* to recall the guiding idea of his memorable book: "since the nation-state is no longer the primary instance of the reproduction of global capitals, 'culture' – as the symbolic and political counterpart to

To say what Readings did not have a chance to say: globalization exerts enormous pressures on both the functioning of public sectors, as well as the very thinking about their functioning; at the same time, higher education clearly loses, with a different speed in different countries and regions, its *unique* character as part of the public sector;[27] it has to compete with other segments of the sector for (generally shrinking) public funds. The competition is fierce and its results cannot be predicted; in this zero-sum game the other competitors for public funds are primary and secondary education, pension schemes for the aged, health care, low income and unemployment entitlements and benefits, prisons, the police, the military etc; so to an extent, the result of the competition depends also on the social perception of what higher education is about today, how it serves society and how it should be funded;[28] it depends also on the

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the project of integration pursued by the nation-state – has lost its purchase.… The University no longer has to safeguard and propagate national culture, because the nation-state is no longer the major site at which capital reproduces itself. Hence, the idea of national culture no longer functions as an external referent toward which all of the efforts of research and teaching are directed." (Readings 1996: 12–13). Readings focuses mostly on the *cultural dimension* of current transformations of the institution of the university, at the expense of their more *political* and *economic* dimensions, brought about by e.g. the restructuring of the public sector and the retrenchment of the welfare state and new accounts of the role of the state operating under globalization pressures. Readings seems to have written his book from *inside* the traditional paradigm and clearly his point of departure was the (modern, Idealist, Humboldtian etc) idea of the uniqueness of the university.

[27] It has especially been phenomena like "new managerialism" implemented throughout Anglo-Saxon countries across the entire public sector that has had such a substantial impact on higher education. I have to agree with Miriam Henry and colleagues in their book on the OECD, globalization and higher education policy when they argue that "education systems have lost their *sui generis* character. Organisation, structures and basic practices look similar in education, health, welfare and other public sector bureaucracies" (Henry et al. 2001: 33).

[28] Education today is seen as a direct and measurable factor in "growing" the new knowledge-based economy. It brings concrete benefits to concrete individuals. As Miriam Henry and colleagues argue, that "from this it follows, therefore, that individuals should bear a substantial proportion of the cost of their own education. Educational governance is no longer held to be the business of state-funded centralised educational bureaucracies alone. Rather it is a partnership between a number of stakeholders. The

answer to the question of which benefits it is able to provide for the individual – public or private, individual and collective etc, and which are viewed as more significant today.[29] Consequently, the link between the public sector and the institution of the university is as strong as never before – but all public sector institutions have been under fire (or under scrutiny, in more neutral parlance) in most but especially in Anglo-Saxon advanced economies in recent years.[30]

Globalization seems to be changing the roles of the nation-state (except for the position taken by those in the skeptics' camp, as discussed in Chapter 3): the nation state is gradually losing its power as a direct economic player and at the same time it is losing a significant part of its legitimacy as it appears not to be willing, or not to be able, to provide the welfare services seen as the very foundation of the postwar welfare state (which is developed in Chapter 5). Nation-states seem to prefer not to use the financial maneuvering space still left to them, even if they could be much more pro-active than reactive with respect to the impact of globalization on public services, including higher education.[31] As William Melody argues,

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upshot of the new policy consensus has *fundamentally altered both the nature and the understanding of educational purposes*. It has significantly changed the parameters of educational policy making" (Henry et al. 2001: 61, emphasis mine).

[29] Current reformulations of the social tasks of the welfare state are happening at a time when the traditional responsibilities of the state are under revision – as Harold A. Hovey rightly stresses, "certain activities now viewed as part of baselines could be defined as outside the traditional responsibilities of government" (Hovey 1999: 60). Higher education has to compete successfully with other socially attractive forms of state spending.

[30] As Miriam Henry et al. put it, "within the global economic framework, education is now regarded as the policy key to the future prosperity of nations. … Earlier educational policy wisdom viewed education as a social good which justified increased funding. Redefining education as an individual good justified introducing the principle of 'user pays' in education. … *Though education is now deemed more important than ever for the competitive advantage of nations, the commitment and capacity of governments to fund it have weakened considerably*" (Henry et al. 2001: 30–31, emphasis mine).

[31] Most of the transition countries in Central and Eastern Europe over the last decade invested ever-decreasing amounts of public funds in higher education and research and development, either in relative or in absolute terms, despite differing speeds of economic growth between them and year on year. Even though the end-

> rising government deficits and declining average real incomes have forced governments to assess critically the performance and resource claims of virtually all institutions associated with the welfare state. As a major public institution, the university has been asked to justify its public service performance, its demands for public resources, and the efficiency of its management of these resources. For most universities this was the first time they had been asked for a comprehensive accounting as public institutions (Melody 1998: 75).

Universities were mostly not able to respond to requests for more accountability. They have mostly attempted to justify themselves in terms of the traditional Humboldtian notion of the university as discussed in Chapter 2: academic freedom and institutional autonomy, disinterested and curiosity-driven research, the idea of a unique social institution founded on the basis of the community of students and scholars etc. But in essence, as Melody argues, the replies universities gave in response to a general request for the justification of their social role boiled down to the following: the university should not be held accountable by anyone other than itself. Consequently, the university's arguments have been viewed by the government and business (the providers of funding) as self-serving.

The present book is an invitation to an intellectual journey; the author cherishes the hope that for many readers, in many places, it might provide new grounds for revisiting the idea of the university in (sometimes surprisingly) new contexts.

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product – disastrous levels of public funding for higher education and university research and development – is not to be attributed to the impact of globalization, it can clearly be attributed to the general neo-liberal mood of politics in these times of transformation. It is interesting to refer here to the idea promoted recently by Zsuzsa Ferge who wrote on the pre-accession reports required by the European Commission from EU candidate countries. She observed that "social policy institutions and processes are paid attention to by the Reports mainly if they are likely to affect the budget, or the economy more broadly. ... The main concerns with social protection are financial stability, the (too high) level of public expenditures, and the (slow) deregulation of prices. The main instruments to assure economic growth and financial stability are budget stringency and the privatization of assets or services, including former public services" (Ferge 2000: 9). The general mood is certainly not that of the European Social Model – it is much closer to the neo-liberal moods associated with Anglo-Saxon and (some) Latin American countries.

CHAPTER 1

The University Between the State and the Market

1.1. The Changing Roles of Higher Education: the Impact of Market Forces on Its Functions and Missions

The university in its modern research form has traditionally been in very close relations with the state and in relatively distant relations with the market. Now, as state/market relations are changing with the advent of globalization, the university is unexpectedly located in a different landscape in which the state is generally – with notable exceptions – becoming weaker, and the market is becoming stronger. The university, traditionally a very important part of the public sector, is coming under public scrutiny and its social and cultural missions are being increasingly challenged.[1]

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[1] As Hans N. Weiler in "States, Markets and University Funding" described the process of the emergence of market forces in higher education: "there is a new game being played in European higher education. ... Whatever it is called, it certainly is different from the old game, which always looked a little like a state-owned version of 'Monopoly'. ... Wherever the new game being played is, there are the same three players involved: the university, the state, and the market. And that is what makes it new, because the old game was a pretty simple, straightforward and rather boring affair that was essentially limited to two players: the university and the state" (Weiler 2001: 5). As he notes, for Europe, the interesting question may not be so much "why the market has recently moved into such a prominent position in the debate about higher education, *but why it took so long*" (Weiler 2001: 5, emphasis mine).

The most visible transformations in higher education today are occurring in those countries which promote globalization most actively and make full use of its opportunities (like most Anglophone countries, including the USA and the UK), and in those countries which are most strongly affected by its theories and practices (generally, the transition and developing countries). Higher education systems in the old EU-15 countries still remain relatively intact, but in the medium- and long-term they will also be transformed; perhaps even along similar lines (major transformation processes in European higher education – at an EU-level labeled as the "Bologna Process" – refer to globalization only indirectly, but many commentators view this aspect of the Europeanization project, especially as seen in the context of the wider Lisbon Strategy of 2000, as actually a response to globalization). While the balance of state and market forces still remains relatively stable in the EU-15 countries, on a global scale market forces are certainly gaining predominance over state forces in very general terms.[2] In the long run, if the ideals of liberal democracy prevail, combined probably with more neoliberal conceptions of society and government along with more market-oriented ideals of the global economy, the EU may be forced to accommodate itself to at least the major general global trends if it is going to reach the goal described in the Lisbon strategy in 2000: to make the European Union by 2010 "the most competitive and dynamic knowledge-based economy in the world, capable of economic growth with more and better jobs and greater social cohesion", and stay there. The social-

[2] I am not here returning to Burton Clark's classic analysis of the forces of coordination in higher education systems; considering his "triangle of coordination" (the state, the academic oligarchy, and the market), two decades old, from a current perspective, the role of the "academic oligarchy" in most Anglophone, Western European and Central European transition countries is severely limited (see the section on "State, Market, and Oligarchy" in Clark 1984: 137–145; see also Guy Neave's paper "On Preparing for Markets: Trends in Higher Education in Western Europe 1988–1990", Neave 1990). On "neo-liberalism" wining against "neo-Humboldtianism" and dominating the discourse on higher education reforms in selected transition countries, see Neave's introduction to *Real-Time Systems. Reflections on Higher Education in the Czech Republic, Hungary, Poland and Slovenia*, "On the Return from Babylon: A Long Voyage Around History, Ideology and Systems Change" (File and Goedegebuure 2003: 15–37).

democratic ideals of a widely developed welfare state with its social services, including generally state-supported higher education, will probably have to be combined with strong market incentives, as in other major parts of the public sector (see Bowles and Wagman 2001). As opposed to the EU-15 countries, public higher education institutions in most transition countries are already forced to operate in highly competitive, market-oriented surroundings, with the number of private higher education providers sky-rocketing and the number of students enrolled in the private sector reaching (in some countries) a level of 30 per cent.[3] Apparently, in higher education (but not in research and development), the market forces in operation are already much stronger in the transition countries than in most EU-15 countries. Also, the reforms about to be introduced in several countries of Central and Eastern Europe are more market-oriented than any reforms attempted in EU countries in general so far, except for the United Kingdom.[4]

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[3] On a more global scale, the share of enrollment in private higher education differs considerably between countries and regions: while in the majority of Western European countries over 95 per cent of students attend public institutions, private higher education is most dominant in Asia – in the Philippines, Japan, South Korea and Indonesia – with a share of almost 80 per cent; followed by such Latin American countries such as Brazil, Mexico, and Colombia where the majority of students also attend the private sector. Western European countries such as Belgium and the Netherlands with a share of over 60 percent, followed by Portugal with over 25 per cent are, so far, exceptions to the general rule (World Bank 1994: 35; Lee 1999; see also Altbach and Selvaratnam 2002). As Philip G. Altbach remarked in an excellent collection of essays he edited on the private sector, *Private Prometheus: Private Higher Education and Development in the 21st Century*, "the global summary of private higher education development shows national and regional variations. It also indicates *explosive expansion*. Private postsecondary education is a significant force almost everywhere, and it is a growing phenomenon where it has not previously been in the mainstream. ... The role played by private higher education – which is able quickly to adapt to changing market conditions, students interests, and the needs of the economy – is bound to grow" (Altbach 1999b: 5, emphasis mine).

[4] As Harry de Boer and Leo Goedegebuure rightly argue, we would need a very high level of abstraction to be able to say that *comparable* developments are taking place in Western and Central/Eastern Europe. The surface similarity includes the overall shift towards a reduction of state influence, and increase of institutional autonomy, and an increased reliance on the market. But these developments in

It is important to emphasize that global public spending on education tops one trillion dollars annually: it is a huge business, and thus potentially a huge "market". Together with the global spread of the neoliberal market economy and the gradual marketization of higher education (outside of Continental Europe though – and at least from a global comparative perspective), the number of for-profit institutions, for-profit branches of non-profit institutions, virtual institutions, corporate universities and IT certifications centers is growing rapidly, bringing about a revolution in social conceptions about what higher education might be and how might it possibly function.

In the last half a century, despite an immense growth in enrollments, that is moving towards massification and near-universalization, public higher education remained relatively stable from a *qualitative* point of view and its fundamental structure remained unchanged. No major changes occurred that were as revolutionary as the changes we might be beginning to witness. What we are seeing in different parts of the world today is probably only the very beginning of these transformations though. The forces of change worldwide are similar and they are pushing higher education systems into more market-oriented and more competitive arenas (and certainly towards less state regulation).[5] As Frank Newman put it,

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essence are "quite different". The difference is between "gradual system change" and "abrupt change" (or between "evolution" and "revolution") in the two parts of Europe. The issue of the time-frame in which transformations are taking place is one thing, but another is the "deep psychological impact of radical political change. The four countries [the Czech Republic, Hungary, Poland, and Slovenia] version of 'reinventing government' was driven by an almost complete loss of faith, at least in the immediate period following the system changes, in the virtues of the role of government. Such an explicit rejection of the role of government has not been the case in Western Europe" (de Boer and Goedegebuure 2003: 227). Let us add that because of the mythicization/fetishization of the idea of the "market", "the market" is one of the most fundamental categories in post-1989 countries of Central and Eastern Europe; it was a key word in all the major social, political and economic discussions of the last decade. "The market", especially at the outset of the transformation, was virtually non-debatable and inherently positive.

[5] Both the forces affecting higher education and the patterns of responses to them are *similar* worldwide. As D. Bruce Johnstone argued about the patterns of responses, in the 1990s there was a remarkably consistent worldwide reform agenda – there were

"every student now has multiple and differing choices. Every college and university faces new competitors" (Newman 2001: 4). The choices go far beyond traditional universities, and the competitors are no longer merely other universities. For centuries, "the market" had no major influence on higher education (and perhaps the only country close to the "market" extreme of Burton Clark's "triangle" at the beginning of the 1980s was the USA). The majority of modern universities in the world were created by the state and were subsidized by the state. Over the last 200 years, most students in Europe attended public institutions and most faculty members worked in public institutions (within all major models of the university which served as "templates" for other parts of the world, be it the Napoleonic, the Humboldtian, or the American and British models). Today market forces in higher education are on the rise worldwide: while the form and pace of this transformation are different in different parts of the world, this change is of a global nature. It is important to note that the market is already powerfully influencing both higher education and research and development:

> any discussion about whether the market should be "allowed" to influence higher education's future fails to understand that *these changes are already happening*, regardless of the ambivalence such transformation engenders. It is pointless for higher education leaders to spend time handwringing or strategizing about halting or reversing this trend ("Privileges..." 2001: 9, emphasis mine).

"similar patterns in countries with dissimilar political-economic systems and higher education traditions, and at extremely dissimilar stages of industrial and technological development" (Johnstone 1998a: 2). And as Frank Newman and Lara K. Couturier phrased it about the forces in operation in their report to "The Observatory on Borderless Higher Education": the unexpected revelation of their "Futures Project" is that "the forces affecting higher education around the world are *strikingly similar*" (and the four important areas of similarity they indicate are expanding enrolments; the growth of new competitors, virtual education and consortia; the global activity of many educational institutions; and the tendency for policy makers to use market forces as levers for change in higher education, Newman and Couturier 2002: 5, emphasis mine). These are more or less *direct* forces; the present book focuses much more on the *indirect* pressures on the institution of the university – especially through the transformations of the state (welfare state, nation-state, and the recent revitalization of the European Union project).

The issue is not whether or not to introduce market forces into higher education; it is rather how to tame or civilize the most unrestrained forms of them so that some "thoughtful" or "mature" or "responsible" (Frank Newman) higher education market can be created. These market forces are powerful new forces, never seen in higher education before. And they often come as part and parcel of a much wider neoliberal agenda, as a result of the powerful pressures of globalization, especially on the institution of the state (and as a part of reforming the public sector generally). No matter whether we understand them or not, support them or not, these market forces will be increasingly present in higher education, for a variety of political, economic, and cultural reasons (undoubtedly different in different parts of the world, just to give an example of the EU-15 and new EU member states). In short, what may be expected in the near future is *more market*, *less regulation*: the state's role in higher education will increasingly be getting weaker as the march of higher education towards the market (and away from the state) continues. These market forces may be of different strengths in different parts of the world, but they are not easy to stop.[6]

Traditionally, before market forces came into prominence, higher education in general, and the university in particular, were "special" places with teaching, research and their social service as the core of their mission. In more philosophical terms, the Enlightenment and then the German Idealist and Romantic ideal of education was *Bildung*, cultivation, or culture, i.e. producing responsible,

[6] A huge controversy arose that touched on the issue of the free import and export of educational services within the GATS and WTO protocols: the definition of services covered by GATS excludes services provided under government authority and without commercial purpose so education could theoretically remain outside the scope of the Agreement; this is not the case, though, as the vast majority of countries have *mixed* systems, in which the private sector plays some role and competes with the public sector in higher education; so the WTO is considering a number of proposals ensuring that free trade in higher education will be subject to the complex rules and legal arrangements of the WTO protocols and free of most restrictions (see Altbach 2001; Education International 2000) – which puts all "local" (national) higher education systems in a new position and potentially opens them to international "markets" (see Robertson 2003a, 2003b).

autonomous and mature individuals – with a strong emphasis on the national aspect of *Bildung*; i.e. inculcating nation-state consciousness and national aspirations, producing citizens of emerging nation-states, the issue that will be discussed in Chapter 3 (see also Readings 1996 and Green 1997). With the advent of market forces into the higher education arena, and into our social world generally (which leads to what Pierre Bourdieu called *the tyranny of the market* in Bourdieu 1998b, see also 1998a), we less and less often speak of students as citizens of particular nation-states, and more and more often speak of them as "clients" of educational institutions, be they public or private.[7] In increasingly prevalent market-oriented phraseology, often used by international and global organizations, education becomes a commodity, a mostly private and individual good, rather than mostly a public and collective good as it used to be in the past.[8] The overall bleak picture might be the one D. Bruce

[7] To give an example, the OECD's *Redefining Tertiary Education* assumes a clearly "client" perspective in discussing the future of the university. Its perspective towards universities is taken "not so much from the standpoint of their own self-formations, their traditions, culture and inner workings but *insofar as they address and meet the needs of clients*. …[T]he client perspective … is on the one hand consistent with demand-driven policies and structures in our societies and, on the other, emphatic that there are new needs to meet as we move towards universal tertiary education" (OECD 1998: 15–16, emphasis mine). See also Baldwin and James 2000.

[8] The potential benefits from higher education can be viewed as *private* and *public* (and both can be either *economic* or *social*). Private economic benefits include higher salaries, better employment, higher savings, improved working conditions and personal and professional mobility. Public economic benefits include greater productivity, national and regional development, reduced reliance on government financial support, increased consumption, and increased potential for transformations from low-skilled industrial to knowledge-based economies. Private social benefits include improved quality of life for self and children, better decision-making, improved personal status, increased educational opportunities, healthier lifestyle and higher life expectancy – while public social benefits include nation building and development of leadership, democratic participation, increased consensus, a perception that society is based on fairness and opportunity for all citizens, social mobility, greater social cohesion and reduced crime rates, improved health and improved basic and secondary education (see World Bank 2002: 81, based on a report *Reaping the Benefits: Defining the Public and Private Value of Going to College*, Institute for Higher Education Policy, 1998). As the report reminds us, "what are the benefits of

Johnstone (the director of the Center for Comparative and Global Studies in Education at SUNY Buffalo) painted in his paper on "Higher Education Under Conditions of Transition to a Market Economy", describing the common challenges higher education systems face today:

> public priorities are changing throughout the world. While there is no reason that higher education should necessarily, over time, lose in the competition for governmental resources, it would appear that expenditures for elementary and secondary education, economic infrastructure, health and welfare, and perhaps even for environmental restoration are emerging as higher priority objects for governmental spending in most countries (Johnstone 1999: 1).

The late Frank Newman, the chairman of the American "Futures Project: Policy for Higher Education in a Changing World" (based at Brown University) has distinguished between three attributes essential for preserving higher education's role as servant to the needs of society: (1) socializing students to their role in society, (2) providing all citizens with social mobility, and (3) upholding the university as the home of disinterested scholarship and unfettered debate (Newman 2000b: 3). Thinking about the social functions of the university in a global age, the three attributes are of primary importance. At the same time, the social functions of new providers of higher education can be measured against this pattern to see the difference. Thus the first function of the university, the socialization of young people to their roles in society, can be divided into three types: socialization to the community, socialization to intellectual life, and socialization to the profession (Newman 2000b: 4). Socialization to the community means preparation for civic engagement or democratic participation – preparation for participation in the community as citizens of a democracy. It is not clear whether new for-

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going to college? This is one of the most important questions that has been posed about societal and governmental investment for much of the post-World War II period. … Growing public scrutiny of higher education, combined with limited or reduced government spending, has focused increased attention on the benefits of higher education, both from an individual and a societal standpoint" (Washington DC: IHEP 1998: 5).

profit providers and the virtual institutions see this type of socialization as their central responsibility. Additionally, as traditional universities are becoming increasingly market-oriented and are running an increasing number of for-profit activities (including also the privatization and outsourcing of its services – see Wertz 2000), they may play down the role of activities not directly related to workforce skills. Especially if the higher education setting becomes highly competitive. The second type of student socialization, socialization to intellectual life, consists of introducing students to intellectual concepts and giving them the ability to think critically (philosophy, history, literature etc). As new providers are focused on a much simpler view of intellectual skills, primarily aimed at preparing students for success in the workplace, there may be a danger that this type of social function will atrophy. Finally, the third type of student socialization, socialization to the profession, may well also be in danger from the wave of new providers: it is hard to imagine socialization to the profession of a lawyer, or a teacher, in the virtual setting of online courses.

The second function of the university in Newman's typology is encouraging social mobility. Higher education plays a key role in determining the opportunities for upward mobility; "today, more than ever before, it is access to higher education that determines who participates fully in society" (Newman 2000b: 10). Here there does not seem to be a big difference between the traditional and new providers, except for the prestige additionally received from the best from among the former, and still unavailable from the latter. Finally, the third function of the university, providing a safe place for disinterested scholarship and unfettered debate, seems endangered in new providers where developing civic debate and objective research are often absent. At the same time, as Janice Newson and Howard Buchbinder formulated it in the title of their excellent book, increasingly, "The university means business" (Newson and Buchbinder 1988). We are entering an era of "academic capitalism" (Slaughter and Leslie 1997) in which the troubling aspects are "Leasing the ivory tower" and "The corporate takeover of academia" (Soley 1995), to refer to another book title; thus the "entrepreneurial university" (Clark 1998) and the

"enterprising university" (Williams 2003; see also Currie 2002) are increasingly discussed. Market forces formulate the behavior of the new providers and, which is perhaps even more important and potentially threatening, increasingly reformulate the missions of *traditional* higher education institutions. The changes we are witnessing may be far-reaching and long-lasting: market forces may come to replace state forces (to varying degrees) as the driving forces for higher education as well as research and development activities. It is still unclear how the competition between public and private institutions will influence the core mission of higher education generally. Newman remarks in this context that

> as the new competitors get stronger, many traditional institutions will feel compelled to emulate their narrow focus and compromise their historic functions. Will the academy drift toward the mean, toward a universe of relative sameness, or will the growing competition expand the array of differing alternatives, creating institutions more skilled at serving students with different needs and at different times in their lives? (Newman 2000: 15).

To sum up this section: the social, political, cultural, and economic world is changing, but so are the people and their institutions. The institution of the university, and higher education more generally, is subject to powerful influences from all sides and by all stakeholders: the state, the students, the faculty, and industry. Stakeholders may increasingly have different needs from those they traditionally had (as is obvious in the case of the state and industry, but also in the case of students who are living in the highly competitive, postnational and postmodern world) and institutions may be compelled to transform themselves. The market (which is here a general construct) cannot be ignored as it is reshaping our lives as humans, citizens, and finally as students/faculty. Never before has the institution of the university been attacked so strongly by so many, for so long; never before has it been perceived by so many in so many places all over the world as a failure.[9] It is difficult to believe that as an institution, it will remain

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[9] To give an example from a recent European Commission communication on *The Role of Universities in the Europe of Knowledge*, universities face an imperative need to "adapt and adjust" to a series of profound changes and they have to increase and

intact. It is certainly better to steer higher education institutions from the inside towards transformation rather than to let them drift and see them changed by others.

For the time being, the most appealing scenario for the future developments of the institution of the university and of research and development activities in the transition countries seems to be scenario no. 1 in the *Scenarios Europe 2010. Five Possible Futures for Europe* (by Gilles Bertrand, Anna Michalski, and Lucio R. Pench) – called simply "Triumphant Markets".[10] The majority of the current developments analyzed in various parts of the present book fit into the general framework provided by this scenario – rather than by the remaining four. Bullet points for this scenario would be e.g. an increasing mismatch between welfare states and the demands of the economy; Europe won over to liberalism by American success; reductions in unemployment benefits and labor legislation and the creation of a two-tier job market (accompanied by reductions in unemployment); reductions in public expenditure, the privatization of social services and the downsizing of the state; value for money in public expenditure but longer-term public investment neglected; a good macroeconomic situation in Europe, with rapid growth in small

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diversify their income in the face of worsening underfunding. The criticism goes to the very core mission of the institution: "after remaining *a comparatively isolated universe* for a long period, both in relation to society and to the rest of the world, with funding guaranteed and a status protected by respect for their autonomy, European universities have gone through the second half of the 20th century *without really calling into question the role or the nature of what they should be contributing to society*" (EC 2003b: 22, emphasis mine). Thus the fundamental question about European universities today is the following: "Can the European universities, *as they are and are organised now*, hope in the future to retain their place, in society and in the world?" (EC 2003b: 22, emphasis in original). It is a purely rhetorical question in the context of the whole communication: the universities in Europe – as they are and as they are organized today – will *not* be able to retain their place. See Chapter 6 on the changing EU discourse about the future of the university.

[10] The reason is twofold: firstly, the present author cannot escape his Central and East European experiences as a public policy analyst and, secondly, his background knowledge of higher education and research policy issues goes together with, and is strongly influenced by, political economy, political sciences, sociology, globalization studies, comparative higher education studies and, last but not least, philosophy.

businesses and increasing openness to the international environment; an almost unanimous consensus in favor of free trade; the EU's agricultural and regional policies revised downwards; a rapid increase in social and regional inequalities both globally and domestically; individualistic and fragmented societies, mainly concerned with the short term etc (Bertrand et al. 1999: 13–20).[11]

1.2. What Is New in the Transformations of Higher Education Today?

Higher education institutions' traditional relations with the state are changing and the main forces of change in these relations are globalization-related, as discussed throughout the present book. This change is happening on a global scale, the patterns of transformations are very similar indeed, even though national and regional differences do exist. Although new EU member states still feel these globalization pressures differently from the EU-15 countries (with globally, outside the EU-15 but especially in Anglophone countries, these forces being more powerful), higher education there is likely to be strongly affected by these globalization-related processes soon, or has already been affected by them – mainly *through the indirect impact of the ongoing transformations to the state.* As already stated, the effects of globalization are to a large extent *indirect*, via the transformations of the state, as will be shown in Chapter 4 on the welfare state. I am in full agreement here with Roger Dale in "Specifying Globalization Effects on National Policy: a Focus on the Mechanisms" who argues that while states have retained their formal territorial sovereignty more or less intact, they have all, to a greater or lesser degree, lost some of their capacity

[11] A fundamentally opposite scenario to *Triumphant Markets* – modeled on the USA – is the one called *Shared Responsibilities* in which the guiding idea is that the new technologies will fulfill their promises only if social standards are maintained. This scenario offers the brightest opportunities for the new EU countries as Europeans converge around the shared values of confidence, solidarity, and responsibility rather than competition (see Bertrand et al. 1999: 29–36).

> to make national policy independently. Globalization does then create broadly similar patterns of challenge for states that shape their possible responses in similar ways. Absolutely central to arguments about the effect of globalization on public services like education is that *those effects are largely indirect*; that is to say, they are mediated through the effect of globalization on the discretion and direction of nation states (Dale 1999: 2, emphasis mine).

Higher education worldwide is much less a unique part of the public sector than it used to be: either in political declarations, or in public perceptions, or, finally, in practical terms (financing and governance).[12] Higher education systems in transition countries are affected right now by the local post-1989 transformations as well as by the deeper and longer-lasting global transformations.[13] At the same time the changing global setting for higher education institutions in the EU make it an urgent necessity to rethink the place, role and tasks of the university vis-à-vis global trends in higher education; this issue being discussed in Chapter 6 in connection with the construction of the new "Europe of Knowledge" through new and distinctive EU-level educational and research and development policies. The changing relations between education, the market and the state today (with complex, varied and unpredictable effects) may not leave higher education intact in an age of globalization. At the same time there is no single way in which both the state and the

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[12] It has especially been "new managerialism" (New Public Management), implemented throughout Anglo-Saxon countries across the entire public sector, that has had a substantial impact on higher education (see in this context papers by Peters et al. on Foucault, neoliberalism and self-management, 2000, and by Drummond, 2003, as well as a book on *Foucault and Education* edited by Stephen J. Ball, 1990). I have to agree with Miriam Henry and colleagues in their book on the OECD, globalization and higher education policy when they argue that "education systems have lost their *sui generis* character. Organisation, structures and basic practices look similar in education, health, welfare and other public sector bureaucracies" (Henry et al. 2001: 33). This issue will be discussed in more detail in a section on reforming the public sector in Chapter 3.

[13] For a comprehensive view of a decade of transformations to higher education in CEE countries, see the excellent book by Voldemar Tomusk, *The Blinding Darkness of the Enlightenment. Towards the Understanding of Post State-Socialist Higher Education in Eastern Europe*, 2000. See also his recent collection of essays, *The Open World and Closed Societies. Essays on Higher Education Policies "in Transition"* (New York: Palgrave 2004).

university may be affected. In the most general terms, as the OECD's *Redefining Tertiary Education* argued,

> A historic shift seems to be taking place under the pressure of the external environment. While some institutions will retain a quite distinct identity with long-established forms of internal definition and control, others have become much more open to influences from the wider society (OECD 1998: 16).

The transformation of higher education – both in terms of teaching and research – seems inevitable, as the forces behind these changes are global in nature (hence the appearance of the Bologna process in higher education and of the Copenhagen-Brugges process in vocational education in Europe, as well as the need for the construction of a European Research Area). The forces of change are similar, although their current influence varies from country to country, and from region to region; the forces that are driving the transformation of higher education are old ones (the governmental and public pressure for transparency and accountability, the governmental focus on costs, effectiveness, productivity, and quality assurance, etc) and new ones (competition; new, mainly for-profit providers of higher education; the rapid advancement of technology and the application of ICT in both teaching and learning; changing social demands for renewable skills in a global age, etc).[14] In a European setting, the new forces of change in higher education would also include the increasing internationalization of higher education research and teaching (including the predominance of English in these times of the Internet and electronic communication) and globalization seen, among other important aspects, through the declining role of the nation-state in the global economic and cultural setting as discussed in Chapter 3, a renewed and critical focus on the services of the welfare state as discussed in Chapter 4, and the corporate/business culture/attitude invading the academic world today in an increasingly competitive and market-oriented global environment. Mass higher education may no longer be a dominant

[14] On the distinction between the old and new forces driving the changes in higher education, see especially various papers written at the end of the 1990s and at the beginning of the 2000s by the late Frank Newman (Newman 1999b, 1999c, 2000a, 2001).

goal of states and governments as it has already been achieved as a goal in many of them: there are many other, competing, social needs today though. And even in the context of "knowledge-based societies" and "knowledge-based economies", the knowledge in question may not exactly be knowledge as currently produced and disseminated by traditional public universities, as is testified to in a European setting by the documents about the future of the institution prepared for discussion by the European Commission over the last five years or so. The emergent European educational and research space, as shown in Chapter 6, has become a significant component of the "revitalization" of the Europeanization project. The foundations of the European knowledge society (and knowledge economy) are related to such notions as "knowledge", "innovation", "research", "education" and "training". Education (and especially "lifelong learning") has become a new discursive space into which European dreams of common European citizenship are currently being invested – so the role of universities is seen as being bound to change.

The point being made here is that the most powerful forces to affect higher education are the new ones, not the old ones with which European higher education research and policy, on both a national and European level, seem to be predominantly concerned. Older forces result from several decades of steady growth in higher education institutions, to the point of the near-universalization of higher education; the new forces, by contrast, come from the new political, economic and social world around us (postmodern, global, postCold-War, postnational etc), possibly bringing about a revolution in higher education of an unprecedented scale and nature. Both kinds of forces are important, but the new forces seem to be underestimated (especially in the context of the debates surrounding the emergence of the European Higher Education Area; by contrast, the challenge of globalization is crucial to understanding both the EU Lisbon strategy, including the part related to education and training sectors, and the emergent European Research Area). The author is in full agreement with Sheila Slaughter and Larry L. Leslie, the authors of *Academic Capitalism. Politics, Policies, and the Entrepreneurial University*, when they argue that

> the changes taking place currently are as great as the changes in academic labor which occurred during the last quarter of the nineteenth century. ... [T]he globalization of political economics at the end of the twentieth century is destabilizing patterns of university professional work developed over the past hundred years,

and conclude:

> higher education as an institution and faculty as its labor force face change unprecedented in this century (Slaughter and Leslie 1997: 1).

Higher education is being asked to adapt to new societal needs, to be more responsive to the world around it, to be more market-, performance-, and student-oriented; to be more cost-effective and accountable to its stakeholders; as well as competitive with other providers, including new non-traditional and for-profit providers. Traditional institutions of higher education seem challenged – and under assault – all over the world by new teaching and research institutions that claim to do the same job better, cheaper and with no public money involved: such new providers, responding to the huge social demand for new skills so conveniently delivered, include for-profit educational firms, for-profit arms of traditional non-profit universities (such as eCornell, NYUonline, Virtual Temple – as arms of Cornell University, New York University, and Temple University), virtual institutions, franchising institutions, corporate universities, etc (and their extensive use of new technologies).[15] The basic traditional structure of higher education seems unable to cope with the growing and unprecedented workforce requirements in the West, especially in America. The countries of Central and Eastern Europe are not prepared for these global challenges at all.

It is certainly not enough to understand today that reformed institutions are definitely needed, in different countries to different degrees; the point is to see why they need to be changed, and why we need to take into account the issues of the state, the public services it provides, and the market setting in which they are bound to operate.

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[15] See Newman's *The New Competitive Arena: Market Forces Invade the Academy* (2001) and his "Briefing on For-Profit Higher Education". On the impact of technology on education, see also (Foster 2001 and Slaughter, Kittay et al. 2001).

It is increasingly difficult to understand the transformations in higher education today without understanding the transformations of the social world today, including transformations to the state and citizenship. And as one of the most striking features of the new world order is its increasingly global nature, neither policy makers nor policy-scholars in higher education can ignore the far-reaching (and still undefined) social, economic, political and cultural impact of globalization through ongoing transformations of the state on the traditional educational business.

In analyzing the changing social, political and economic context of the functioning of higher education in Central and Eastern Europe, both a local (post-1989) context and a global one should be kept in mind.[16] Following more than a decade of various attempts at reforms the issue has become increasingly important as, on the one hand in many transition countries the system is on the verge of collapse, and on the other hand there is an increasing political, economic and social pressure to rethink globally the very foundations of higher education in contemporary societies (see Kwiek 2001b). The final result of the

[16] If we juxtapose two trends in the old EU-15 and new EU countries generally: changing enrollment rates and changes in spending on education (direct public expenditure vs. private expenditure on education), the picture becomes clearer. If we take into consideration the years 1990–1995, there is apparently only a single country in the European Union and EU accession countries – namely France – in which public expenditure grew faster than private expenditure (with a 1990 index of 100, the growth in 1995 was about 120/109 in France but 117/215 in Denmark, 80/139 in Hungary, 102/110 in the Netherlands, 135/138 in Ireland, and 119/126 in Spain; globally it was 117/165 in Australia and 115/146 in Canada (see OECD 1999: 86). At the same time enrollments grew dramatically: with a 1990 index of 100, the growth in 1996 was about 244 for Portugal, 181 for the United Kingdom, 150 for Ireland, 141 for Sweden, 130 for Finland, 120 for Austria, 121 for Denmark and 110 for the Netherlands (OECD 1999: 92). Thinking of Central Europe, the growth in enrollments was also dramatic: gross rates in percent for the 18–22 age group increased between 1989 and 1997 as follows – the Czech Republic from 12.7 to 17.3, Hungary from 13.9 to 23.8, Poland from 11.6 to 20.6, and Slovakia from 13.2 to 17.6 (World Bank 2000a: 122). To sum up, both in the old EU-15 and in European transition countries the number of students increased and was accompanied by an increase in private expenditure. Thinking of longer demographic trends and the aging of society in both parts of Europe though, the point of natural saturation is not far away.

current tensions will inevitably be the introduction of new legal contexts for the functioning of higher education and an implementation of new higher education (as well as research and development) policies. The impact of these transformations is likely to be severe, considering the role higher education currently plays in European transition countries and that which knowledge generally is likely to play in emergent "knowledge-based societies".[17] It is important to move back and forth between the two contexts. Public policy analysts today often recommend for CEE countries, as well as for developing countries globally, some form of privatization in public higher education. Privatization is understood as a gradual process in which higher education leaves the public sector of purely state-supported services and moves toward greater self-sustainability. The degree of privatization suggested varies, however.

Although I am not developing the theme here, let us just remind ourselves of the definition of privatization with reference to higher education given by D. Bruce Johnstone, and make a short comment that what he means by privatization is much larger than what I understand by the term: he means by it corporatization, managerialism, marketization, and more generally the wider aspects of the impact of globalization on higher education. His definition

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[17] How are we to measure the transition to knowledge-based economies? The EU *Key Figures 2003–2004. Towards a European Research Area. Science, Technology and Innovation* suggests two composite indicators: one referred to *investment* in the knowledge-based economy, and the other referred to *performance* in knowledge-based economies. The former involves such sub-composite indicators as e.g. total research and development expenditure per capita, number of researchers per capita, new science and technology PhDs per capita, total education spending per capita, lifelong learning, and e-government; the latter involves GDP per hours worked, European an US patents per capita, scientific publications per capita, e-commerce, and schooling success rate (EC 2003d: 9–10). In all sub-composite indicators save a few (e.g. the number of PhDs), Europe is lagging behind the US. New EU member countries, in turn, are lagging behind the old EU-15 average both in terms of investment and performance composite indicators, with the interesting exception of a very high level of well-educated people: 80% of the population aged 25–64 finished upper secondary education, compared with the EU-15 average of 65% (and Southern EU-15 members in the range of 20–50%).

vividly describes current trends and covers them with one very broad definition. Johnstone states that

> privatization in reference to higher education refers to a process or tendency of colleges and universities (both public and private) taking on characteristics of, or operational norms associated with, private enterprises. Although the term is not a precise one (any more than the distinction between a "public" and a "private" college or university), privatization connotes a greater orientation to the students as a consumer, including the concept of the college education as a "product"; attention to image, competitor institutions and "market niches"; pricing and the enhancement of net earned revenue; and aggressive marketing. Privatization also suggests the adoption of management practices associated with private business, such as contracting out, or "outsourcing" ... aggressive labor relations and minimization of payroll expenditures, decisive decision-making and "top down" management, widespread use of audits and accountability measures, and an insistence that each unit (department or academic program) contribute to profitability, or at least to the organization's particular metric of "success" (Johnstone 2000c: 1).

My use of the term is much smaller in scope and closer to the World Bank's use: privatization means private financing, private management, private ownership, or any combination of the three. While on a global scale and in general, phase I of privatization includes enterprises; phase II telecoms, airports, electricity, water, and roads; phase III, of the greatest interest to us here, includes the three social services: pensions, healthcare, and education (Torres and Mathur 1996).[18] The issue is currently of little concern to the affluent EU-15 countries, but it certainly is an issue in developing countries, especially in Latin America. The extent to which the "third wave of privatization" is an option in CEE countries, including new EU member states, is currently difficult to predict as their economic and social situation is difficult to predict, but it is certainly not entirely out of the question. It is better to bear in mind current global changes and current global trends, even though they might never reach Europe in their full forms.[19]

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[18] On the nuanced position of the World Bank in general, and its tertiary education sector in particular, see the section on the public sector in Chapter 3.

[19] Gerver Torres and Sarita Mathur in "The Third Wave of Privatization. Privatization of Social Sectors in Developing Countries" describe the three phases of

In the new social and political environment introduced by globalization theories and practices, it is not only the World Bank, the OECD and the IMF, from among global organizations (see e.g. OECD 1998, 2002; World Bank 1994, 1997, 1999, 2000a, 2000b, 2002; for local interventions, see e.g. World Bank/EIB 2004) that are extremely interested in stimulating new visions of higher education on a global scale; the World Trade Organization (WTO) has also become concerned with the unrestricted import and export of higher education within a set of complex rules in the WTO protocols.[20] The

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privatization, with the last pertaining to educational services, in the following manner: "in recent years an increasing number of developing countries have undertaken privatization programs as a key component of their efforts to restructure and modernize their economies. Economic sectors and operations that for decades had been reserved for the state are now being rapidly opened to the private sector. ... The first stages of privatization concentrated on commercial companies operating in competitive markets. ... Private sector participation in infrastructure sectors, initially thought to be almost impossible given the complex regulatory issues involved, has today gained popular support in most developing countries. The range of activities encompasses telecommunications, electricity, airports, railways, roads, and water supply. Chronic fiscal constraints in developing countries, coupled with the visible positive results of privatization, have led to the emergence of a third wave of privatization – private management, financing, and investment in the social sectors, such as education, health, and social insurance" (Torres and Mathur 1996: 2). The choices faced by the EU-15 and the European transition countries seem different, though.

[20] Susan L. Robertson suggested recently in "WTO/GATS and the Global Education Services Industry" that "there is clearly a great deal at stake, and it is critically important that a wider ranging debate takes place in a range of communities, including the academy, about what GATS means for national education systems, of whether these developments are desirable or not and for whom, and what might be done to, slow down, halt or even reverse decisions that have already been made. So what is the WTO, what is GATS, and what does including education in GATS mean for particular countries and their education systems? Whose interests are promoted by the WTO, and what is the consequence for education systems of redefining education, not as a public service regulated by the state, but as an industry regulated by the rules of global trade?" (Robertson 2003a: 260). See also papers by Jane Kelsey ("Legal Fetishism and the Contradictions of the GATS") and by Mark Ginsburg et al. ("Privatisation, Domestic Marketisation, and International Commercialisation of Higher Education: vulnerabilities and opportunities for Chile and Romania within the framework of WTO/GATS") in the same volume of *Globalisation, Societies, and*

issue in the long run is especially vital for poorer and developing countries, including some European transition countries. As Philip G. Altbach observes in his article in *International Higher Education*,

> with the growing commercialization of higher education, the values of the marketplace have intruded onto the campus. One of the main factors is the change in society's attitude toward higher education – which is now seen as a 'private good' benefiting those who study or do research. In this view, it seems justified that the users should pay for this service as they would for any other service. The provision of knowledge becomes just another commercial transaction. The main provider of public funds, the state, is increasingly unwilling or unable to provide the resources needed for an expanding higher education sector. Universities and other postsecondary institutions are expected to generate more of their funding. They have had to think more like businesses and less like educational institutions.

This attitude, clearly favored by global organizations, is summarized by Altbach in the following conclusion: "in this context a logical development is the privatization of public universities – the selling of knowledge products, partnering with corporations, as well as increases in students fees" (Altbach 2001: 3). These issues remain crucial in the context of changing EU educational policies, which are discussed in Chapter 6.

1.3. Globalization, Competition, and Public Scrutiny

Scenarios differ but in an increasingly competitive world, public higher education is already under increasing public scrutiny as part of the social services financed by the state. Consequently, the world of higher education may never be the same, even if globalization is merely a buzzword. Different aspects of globalization will increasingly be the political and economic reality that the new EU countries will have to cope with. It will not go away, it has come

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Education (Vol. 1, No. 3, Nov. 2003). For further commentaries, see the whole section on globalization and education in De Groof, Lauwers, and Dondelinger, eds. 2003.

and will stay.[21] Public finances, including the maintenance of public services, will come under increasing scrutiny, following the pressures (mainly economic) of globalization and the reform of the welfare state worldwide, with significant consequences for the public sector.[22] Due to their difficult economic situation, CEE countries may be affected much more strongly than the EU-15 countries in terms of downsizing the state and reducing welfare state privileges, including services traditionally provided within national higher education systems for free. Although I would certainly not expect what World Bank analysts call the "third wave of privatization" in the EU-15 countries in the short term, this direction of change in the foundations of the welfare state is not entirely excluded in new EU member states in the future.[23]

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[21] As Jan Sadlak rightly remarks, without reference to Central Europe, "the frank acknowledgment that globalization has become a permanent feature of our social, economic and cultural space is essential in order to take advantage of what it can offer as well as to avoid the perils it may involve" (Sadlak 1998: 106).

[22] I am in full agreement with D. Bruce Johnstone's idea that restructuring public higher education institutions is exceptionally difficult – as the faculty "have additional means with which to resists threats of radical change and job loss: *the idea of the university* as a proper and necessary bastion of continuity and tradition" (Johnstone 1998a: 19, emphasis mine). At the same time, though, while public universities resist change, "they are not immune to the loss of large amounts of public revenue". Consequently, the struggle for transforming universities might be seen as the struggle between the *idea* (of the university) and its *increasingly imperfect embodiments* (due to permanent financial distress). It does not necessarily have to be seen that way, though; and the best arguments against viewing the university through (various versions of) its idealistic notions is provided by Jürgen Habermas in "The Idea of the University: Learning Processes". In one sentence, "organizations no longer embody ideas", as discussed in Chapter 2 (Habermas 2001b).

[23] Poland, with pension schemes (three-pillars rather than pay-as-you-go systems) and healthcare already partly privatized, plus higher education systems currently being reformed, is a good example of at least a general indication of this trend. As a recent World Bank/European Investment Bank's report on *Tertiary Education in Poland* argues, "financing higher education primarily through taxation makes poorer members of the community contribute very inequitably to the education of children from rich families. … [A]ll full-time and part-time beneficiaries of tertiary education should contribute to cost proportionally to the expected social and private benefits" (World Bank/EIB 2004: 37).

What may be expected is that the idea of the uniqueness of higher education in general, and of the university in particular, may be gradually rejected, or at least seriously redefined. The process can already be clearly seen within the Bologna Process for the integration of European higher education on the one hand and in the construction of a European Research Area on the other. The emergent EU educational and research and development policies – under construction within the wider Lisbon Strategy – are increasingly incompatible with the traditional modern idea of the university. As Nicholas C. Burbules and Carlos Alberto Torres put it recently with respect to national educational policies,

> the broader economic effects of globalization tend to force national educational policies into a neo-liberal framework that emphasizes lower taxes; shrinking the state sector and "doing more with less"; promoting market approaches to school choice (particularly vouchers); rational management of school organizations; performance assessment (testing); and deregulation in order to encourage new providers (including on-line providers) of educational services (Burbules and Torres 2000: 20).

Thus current re-invention schemes for higher education in transition countries should be accompanied by new conceptualizations and activities in the academy itself, otherwise necessary – and unavoidable – changes will in all probability be imposed from the outside anyway. That is where critical thinking is needed. The world is radically changing today and there are no indications that higher education institutions might be spared the consequences; in all probability, they will be changing radically too. The academy must start thinking about its future, drawing on its vast human resources. Currently, draft laws and discussions about reforms (as well as the Bologna Process, to refer to the EU level) are being neglected by the academic community at large, or seem to be. It would be useful to realize that "things will never be the same", but also to attempt to envisage how they could actually be.

The possible decline of the nation-state – even seen as only giving some terrain of power to new transnational political and economic players – is strictly connected with the violent globalization processes, which, consequently, may lead to the redefinition of such

fundamental notions as democracy, citizenship, freedom, and politics, as will be discussed in Chapter 5. But it may also lead to the redefinition of the social role of the university. In the situation generated by the emergence of a global market, a global economy, the gradual "withdrawal" of the state and the decomposition of the welfare state, constant deliberation is needed about any new relationship between the state and the university in a global age. It is important not to look at higher education issues in isolation from what is going on nowadays in the public sector and in the institution of the state.[24] These changes do, and will, influence thinking about higher education futures. It is no use keeping on referring to the rights gained by the university in modernity (i.e. to the rights gained in a time of national states, maintained across vast parts of Europe within the Humboldtian model of the University and within the postwar Keynesian welfare state model), as modernity, philosophically speaking, may no longer be with us and we may be entering (some sort of) global age. Redefined states may have rather different obligations, rather different powers; the state worldwide right now is looking for its own place in the new global order, and traditional public higher education issues might seem to be of lower importance compared with other social needs (in the worst case scenario), especially if the American idea that higher education is an increasingly private good becomes more widely accepted.

The three main global factors contributing to the transformation of higher education of interest to me here can be put under three separate categories: first, the decline of the crucial role of the nation-state in the current social and economic development of nations, with its vision of higher education as a national treasure contributing to national consciousness and national cohesion; second, the reformulation of the functions of the traditional Keynesian welfare-state, including a revised scope for public sector activities to be funded by the state; and third, the invasion of economic

[24] Unfortunately, as Arthur Levine (President of Teachers College at Columbia University) put it, "public trust in government has declined in recent years. The result is declining confidence in the nonprofit sector and rising confidence in the for-profit sector" (Levine 2000: 3).

rationality/corporate culture in the whole public sector, not only in higher education, worldwide (with the notable exception of some EU-15 countries). Regionally, the emergence of the new EU educational and research and development policies needs to be mentioned, as discussed in Chapter 6.

Thus, firstly, globalization can be viewed through the theoretical and practical questioning of the relevance/importance of the nation-state in the contemporary world. Secondly, globalization can be viewed through the dismantling of the welfare state (resulting in a worldwide public sector reform – a reformulation of the responsibilities of the state in the public sector in general; we will be dealing with these processes in Chapters 3, 4 and 5). And, finally, globalization can also be viewed through the lens of economic rationality and the rule of the ideology of the market: the primacy of the economy to politics, the public good, and collective/social interests. Thus, in the third aspect of "globalization", we have a neoliberal, market ideology accompanied by an array of practices drawn directly from the world of business and applied to other domains of social life – in the particular case of interest to us here, to higher education.[25] And in this third sense of globalization, the model for the functioning of the university in a global age would be a business-like, corporate model, with such dominating traits as bureaucratization, marketization, entrepreneurialization, corporatization etc. As Janice Newson observes discussing corporate-university linkages, today

> the new, emerging image of the university is a business corporation rather than a public social institution. ... The university is responding to its problems by adopting corporate strategies on a larger and larger scale ...

[25] I agree with Nicholas C. Burbules and Carlos Alberto Torres' diagnosis and suggestions for future research; as they argue in their introduction to *Globalization and Education. Critical Perspectives*: "In *educational terms*, there is a growing understanding that the neo-liberal version of globalization, particularly as implemented (and ideologically defended) by bilateral, multilateral, and international organizations, is reflected in an educational agenda that privileges, if not directly imposes, particular policies for evaluation, financing, assessment, standards, teacher training, curriculum, instruction, and testing. In the face of such pressures, more study is needed about local responses to defend public education against the introduction of pure market mechanisms" (Burbules and Torres 2000: 15).

> [and] becomes the mirror of its corporate partners (Newson 1998: 495; see also Bostock 1997; Deem 2001; Etzkowitz et al. 2001; Vogel and Kaghan 2001).

It is not the same state any more – and therefore, among many other reasons, it will not be the same higher education (see Newman 1999a and Slaughter and Leslie 1997). According to D. Bruce Johnstone who authored a World Bank Report on higher education for UNESCO in 1998,

> the reform agenda ... is oriented to the market rather than to public ownership or to governmental planning and regulation. *Underlying the market orientation of tertiary education is the ascendance, almost worldwide, of market capitalism and the principles of neo-liberal economics* (Johnstone 1998: 4, emphasis mine).

We might argue that higher education worldwide, and especially in the transition countries, will be more successful in its struggles to gain a share of shrinking public revenues than e.g. healthcare providers or pension schemes, or more successful than correction institutions/prisons, environmental protection, primary and secondary education, care for the aged etc. But more than ten years of reforms to higher education in CEE countries, generally, do not support the thesis of exceptional treatment (including preferential financing) for higher education; to the contrary (see Scott 2000). The system of public higher education is on the verge of collapse in some parts of Central, and especially of Eastern Europe, as few system-level reforms were introduced, if any. I would not expect the transition countries to be able to "swim against the (global) tide" in reforming higher education as part of reforming their public sectors, and I would expect the consequences for higher education (as well as other traditional public services of the welfare state) to be much more deeply felt there than in the EU-15 countries, even now after Enlargement.

The European transition countries are not unique in having problems with reforming their higher education systems. These are global problems and global solutions are being sought by global organizations which never had much interest in higher education as such before. Besides, the following additional factors determine a new

situation for higher education: new technologies; new student bodies (increasingly diversified ages, returning and working students, lifelong learning ideal); new higher education providers such as for-profit, corporate universities, virtual universities, mixed (traditional/virtual) providers; new – increasingly global – student expectations; an increasingly competitive, market-oriented, success-hungry social environment; and others (see Newman 2000a).[26]

Following the idea that higher education may no longer be a unique part of the public sector in Central and Eastern Europe, we should ask who the competitors to public higher education institutions are. The competitors are of a twofold nature: they are firstly, direct, the newcomers in the field of higher education and secondly, indirect, other public institutions and public services provided by the state today. Other educational providers are, for instance, private national institutions, private foreign institutions, national and foreign corporate certification centers, national and foreign virtual education providers and mixed education providers. Most probably, in an increasingly market-oriented social environment, prospective students (and their families) will be increasingly market-oriented as well. The question arises, to what extent the European Union is becoming a market-oriented social environment: the direction may be *not to follow* current global ideals.[27] The second group of competitors are other public institutions and public services such as, for instance, primary and secondary education, pensions and care for the aged, basic healthcare, social insurance, law and order institutions, prison systems, public administration etc (see Hovey 1999).

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[26] Let us just mention here such major for-profit players in the USA as Apollo Group, Inc. (with 126 campuses in 34 states with 68,000 students) and DeVry Inc. (with 45 campuses in 9 states and with 48,000 students). As to corporate universities, let us mention by way of example American Express Quality University, Apple University, Dell University, Disney University, General Motors University, Hamburger University (McDonald's Corporation), Land Rover University, Motorola University and Xerox Document University (Newman 2001: 19–21).

[27] It is useful to see in this context *The Social Situation in the European Union 2001*, published by Eurostat 2001.

Something which also supports the thesis of public higher education coming under severe scrutiny soon is the fact that all (public and private) institutions are being forced to change today, including governmental agencies, the corporate world, the institutions of civil society and the core institutions of the public sector. In the most general terms, this is the end of a stable world governed by modern traditions, and in this context the inherited prestige of higher education in general, and of the institution of the university in particular, is unlikely to help in resisting the changes (see Scott 1999). This increasing public scrutiny is also the final consequence of higher education's enlightening mission: the public is able to *judge* their higher education institutions (the awareness of higher education institutions' performance has become widespread, accompanying the massification of the system). As Anette Gibbs remarks in her "Changing Government Roles Relative to Higher Education", referring to the American experience,

> this eroding public confidence is not necessarily about the importance of higher education but rather about the operation of and functioning of colleges and universities. … With other pressing issues to address, governmental legislative and executive officials therefore *appear willing to treat public higher education as an expenditure rather than an investment in the future.* Such a philosophical and politically pragmatic approach by either state or national government means that colleges and universities could become drastically different organizations from the institutions of today (Gibbs 2000, emphasis mine).

The problems faced by Central European higher education systems are not exactly – and not distinctly – Central European problems; they may be reinforced by local issues, but the main structure of the transformations going on is common to large parts of the world. The changes in higher education go hand in hand with changes in the public sector generally, and the issue of the massification of higher education – and hence rapidly growing costs and a generally declining level of education – is global. The traditional nation-state-oriented and welfare-state-supported research university is most probably beyond reach (and, more importantly, not of interest to the state) in most parts of the world today. It certainly has some chance of survival in the relatively unchanged conditions of

the affluent countries of the old European Union, even though the pressures resulting from the Lisbon strategy and, more generally, from the new conceptualizations of the role of the university in "knowledge-based economies" are increasingly being felt; however, the chances for Central and Eastern Europe are much smaller, and for developing countries in general, it will be very difficult indeed to avoid current global trends towards marketization, corporatization and perhaps privatization of large parts of (especially graduate and postgraduate) public higher education.[28] And let us clarify what we mean by corporatization: following Janice Newson, corporatization is a trend in university development which,

> encapsulates at least two related yet distinct aspects of the university's changing relationship to the private corporate sector. One aspect concerns new kinds of contractual relationships in which some level of financial support to a university program or research project is exchanged for an opportunity for corporate donors to exercise influence over and/or benefit, from specific research and/or educational activities. ... The second aspect of corporatization concerns the adoption by universities of the *modus operandi*, criteria, and objectives of private sector corporations (Newson 1998: 108).

So one aspect of corporatization of the university leads to producing knowledge leading to the development of "marketable products under patent or license agreements with a corporate partner"; the other in turn may lead to situations in which "the university becomes undifferentiated from a business corporation engaged in the delivery of educational and research 'products'" (Newson 1998: 108). Both aspects[29] may have tremendous effects on the relationship between the university and the state.

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[28] As Zygmunt Bauman describes the "crisis" of the university: "with virtually all orthodox grounds and justifications of their once elevated position either gone or considerably weakened, universities (at least in developed and affluent countries; in the 'modernising' countries they may still play the traditional role of the factories of missing educated elites) face the need to *re-think and articulate anew their role in a world that has no use for their traditional services* and sets new rules for the game of prestige and influence" (Bauman 1997: 51, emphasis mine).

[29] Observed in Canada for over a decade by Janice Newson and Howard Buchbinder, see Newson and Buchbinder 1988; Newson 1994; and Newson 1998.

1.4. Reforms to Higher Education and the State

The models provided globally for reforming higher education are divergent: but the very world we are living in is in the making. The exact features of the global world we are entering are still unknown; hence the nature of higher education in the future is equally unknown. There are a number of persuasive visions of the future, but their usefulness depends on what path the reforms to the state will take, globally, on its functions, role and tasks in a "post-welfare" society (see Tomlinson 2001). The state in its new global surroundings may be forced to shift its priorities, and state-supported (sometimes almost fully) higher education systems in their current forms may not be among them. The new forms, as labeled jointly in Europe by the European Commission as the "Education and Training 2010" agenda, and as directed towards reaching the "Europe of Knowledge", may be based on different – probably much more market-oriented – models of state/university social contracts, as discussed in Chapter 6. The redefinition of the state's responsibilities in a deregulated globalized world may be a very painful process, not only for higher education, but for the recipients of a large part of the traditionally based public sector services as well.

The fundamental issue is whether the state, in times of harsh global economic competition, is able (and perhaps even more so, is willing) to finance public higher education institutions at the levels known from the fully-fledged post-war Keynesian era – in the light of its unavoidable universalization and the constantly rising costs of advanced research activities. In the most general terms, the issue might boil down to the following: is higher education still viewed as a public good or is it increasingly seen as a private commodity, and how successfully can higher education compete with other publicly-funded services today.[30] Although it is always theoretically possible

[30] As Harold A. Hovey put it penetratingly in his "State Spending for Higher Education in the Next Decade. The Battle to Sustain Current Support", "the underlying question about spending will be whether, at the margin, higher education spending is contributing more than spending at the margin in other programs" (Hovey 1999: 17). Current reformulations of the social tasks of the welfare state is such a moment in which

that the transition countries will dramatically increase their support for higher education, it seems very unlikely indeed.[31]

Globalization theories and practices are changing traditional relations between the state and the market: the state, along neoliberal lines, is increasingly seen as merely a "regulator" or "catalyst" for entrepreneurial activities. Thus globalization processes and fierce international competition have brought back to the world agenda the issue of the role of the state in the contemporary world: as the World Bank publication *The State in a Changing World* put it in its opening paragraph:

> Around the globe, the state is in the spotlight. Far-reaching developments in the global economy have us revisiting basic questions about government: what its role should be, what it can and cannot do, and how best to do it (World Bank 1997: 1).

Thus to highlight this point again – rethinking the university today is inseparable from rethinking the state: firstly, the modern research

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the traditional responsibilities of the state are under revision – as Hovey rightly stresses, "certain activities now viewed as part of baselines could be defined as outside the traditional responsibilities of government" (Hovey 1999: 60). Higher education has to compete successfully with other socially attractive forms of state spending.

[31] Strangely enough, opposition to reforming public higher education seem to come from all stakeholders. Free higher education guaranteed by the constitutions of certain Central and East European countries is still a hot political issue. For the faculty, the status quo is preferable for it is *known*; reforms and their consequences are unknown i.e. potentially threatening. Let me mention in this context what a World Bank report on higher education (commissioned for the UNESCO World Congress on Higher Education in Paris, 1998) said about the faculty as a problem today: "radical change, or restructuring, of an institution of higher education, means either fewer and/or different faculty, professional staff, and support workers. This means lay-offs, forced early retirements, or major retraining and reassignment, as in: the closure of inefficient or ineffective institutions; the merger of quality institutions that merely lack a critical mass of operations to make them cost-effective, and the radical alteration of the mission and production functions of an institution – which means *radically altering who the faculty are, how they behave, the way they are organized, and the way they work and are compensated*" (Johnstone 1998, emphasis mine). No wonder the faculty might be afraid. However, it is necessary to keep in mind the importance of the academic profession; as Philip G. Altbach notes, "the heart of the contemporary university is the academic profession. *No reform or institutional transformation is possible without the commitment of the professoriate*" (Altbach 1998: 262, emphasis mine).

university was put at the disposal of the nation-state by its German philosophical founders, as shown in Chapter 2 and, secondly, the university is traditionally a vast consumer of public revenues within the Keynesian model of welfare states, as discussed in Chapter 4. Generally, the state is increasingly seen in a global context as a "facilitator", "regulator", "partner", and "catalyst" rather than a direct provider of growth or of social services. What this means is a redefinition of the state's responsibilities towards society and *high selectivity* for the activities supported by public funds. "Choosing what to do and what not to do is critical", as the above World Bank publication phrases it – and in this context hard times may be ahead for public higher education worldwide. The OECD's *Redefining Tertiary Education* speaks of a "fundamental shift" and a "new paradigm" of tertiary education for all, as well as about a "historic shift" and a "cultural change" taking place right now (OECD 1998: 3, 37, 20). The market is growing stronger in domains which were dominated in the past by the state. Market forces are bringing about *economic rationality* and a *corporate culture*, accompanied by an array of practices drawn directly from the world of business. What is appearing on the horizon as an option is the (American) ideal of "excellence in education" (Bill Readings' "university of excellence" instead of "university of culture") and the university as a bureaucratically-governed and consumer-oriented corporation, along with a generally increasing hostility to the traditional ideals of academic freedom and the autonomy of academic institutions.[32]

1.5. Conclusions

Consequently, it is of vital importance nowadays to be able to keep a careful balance between looking backward and looking forward, between taking the past (the modern idea of the university) and taking the future as points of reference in discussing the condition of

[32] As this line of thinking is sometimes formulated, "the only thing that higher education has to do, it seems, is sell its goods and services in the marketplace like other businesses..." (Leslie and Fretwell 1996: 31).

the university. It is important not to be merely retro-active, past-oriented. We are in a period of history in which the traditional, philosophy-inspired, nation-state-oriented and welfare-state-supported, modern university (for a variety of reasons and to different degrees in different countries and regions) is no longer culturally, socially and economically accepted in a blind, no-questions-asked manner. The future of the whole of higher education, not only the university, is taking shape right before our eyes today, and it is the task of the academic community not only to analyze these transformations, but in addition also to influence them as much as possible.

CHAPTER 2

The Idea of the University Revisited (the German Context)

2.1. Do Organizations Still Embody Ideas? (Karl Jaspers vs. Jürgen Habermas)

Even though the present book is future-oriented, a brief discussion of the modern German *idea* of the university seems necessary. In this chapter the delicate relationship between the university and the nation-state in particular is discussed, the coterminous emergence of two modern products. The way the modern university was born strongly influenced its relationship with the state. Without a clear vision of this relationship at the point of the inception of this specific power/knowledge nexus, it would be much more difficult to see the difference today when the place of the nation-state in the economy, the concept of nationhood and the role of the nation in culture are different under global pressures. Our narrative about the modern university and the modern state needs a historical background which is briefly sketched in this chapter.

Historically speaking, the status of the institution of the university in Germany at the turn of the 19th century when the new idea of the university was about to be born was very questionable. Universities were seen at the time as "sites of rote disputation inhabited largely by pedants" and intellectuals regarded universities with "disdain", as Daniel Fallon describes them in his book on *The German University*.

> During the eighteenth century, universities were increasingly described as "medieval", a term that had a clear pejorative connotation. A phrase often

> used at the time described the universities as "atrophied in a trade-guild mentality". It was widely believed within universities that knowledge was fixed within closed systems and the only task of the university was to transmit what was known to students, usually by reading aloud from old texts (Fallon 1980: 5–6).

Fallon goes as far as to claim that one of the lesser contributions Wilhelm von Humboldt made was the retention of the name university itself, as universities were in such disrepute among intellectuals that the Prussian reformers who sought a new institution in Berlin avoided the very word "university" in their essays (Fallon 1980: 30).[1] Also Björn Wittrock, the author of an excellent paper on "The Modern University: the Three Transformations" argues that radical German philosophy helped resurrect the notion of a university at a time when the university in Europe had been "more threatened than perhaps at any time before or afterwards" (Wittrock 1993: 314).[2]

Karl Jaspers in his classic book on *The Idea of the University* returned to the Humboldtian notion of the university, drawing from the same intellectual sources in thinking about the institution as

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[1] I am thinking of the titles of some classic German books and lectures of interest to us here, indeed Wilhelm von Humboldt wrote on the one hand "Antrag auf Errichtung der Universität Berlin" but on the other "Über die innere und äussere Organisation der höheren wissentschaftlichen Anstalten in Berlin". While Fichte published *Deducirter Plan einer zu Berlin zu errichtenden höheren Lehranstalt*, Schleiermacher wrote *Gelegentliche Gedanken über Universitäten in deutschen Sinn, nebst einem Anhang über eine neu zu errichtende*. Schelling published his *Vorlesungen über die Methode des akademischen Studiums*, Fichte his *Über das Wesen des Gelehrten, und seine Erscheinungen im Gebiete der Freiheit* and finally Kant his *Der Streit der Fakultäten*, of minor interest to us here. In general, the titles confirm the prevalent ambivalence towards the very term "university" at the time.

[2] Timothy Bahti in his "Histories of the University: Kant and Humboldt" describes the situation of the German universities of the period in the following way: "the eighteenth [century] had been a lowpoint for German universities: unruly students, dropping enrollments, little apparent correlation between subjects taught and post-university positions available, financial marginality, etc. At this very time, the last decade of the eighteenth century, there was talk of abolishing the university; its place could be taken by the already existing academies of science and by new, practical vocational schools (*Hochschulen*). And yet in 1810, the University of Berlin was founded" (Bahti 1987: 438).

Hans-Georg Gadamer (in *Truth and Method*) and Helmuth Schelsky (in *Solitude and Freedom* i.e. *Einsamkeit und Freiheit*: *Idee und Gestalt der deutschen Universität und Ihren Reformen*). Jürgen Habermas, on the other hand, in such texts as "The University in a Democracy: Democratization of the University" (a lecture given at the Free University of Berlin in 1967 which reopened the German debate on the social role of the institution) and "The Idea of the University: Learning Processes" (a lecture given in Heidelberg in 1986) stood more in the Kantian tradition of the university as a site of critique (Delanty 2001: 64). It is very interesting to put Jasper's book in the double context of the original idea of the university born at the turn of the 18th century and its radical questioning performed by Habermas as part of the new German debate on reforming higher education.

Jaspers' book was based on an address given at the University of Heidelberg in 1945, "The Renewal of the University", which was based in turn on his book *The Idea of the University* (originally published in 1923 and reprinted in 1946). It referred to the basic assumption originating from the German founding fathers of the university that the institution of the university rests on a *foundational idea.* To put it in a nutshell, Habermas' main line of criticism is that "organizations no longer embody ideas" (Habermas 1989: 102). Jaspers and Habermas stand on two opposite sides and no reconciliation between them is possible; paradoxically, Habermas, in his discussion of the university, is much closer to the postmodern position of Jean-François Lyotard (in his *The Postmodern Condition*: *A Report on Knowledge* of 1979) than to the classical German tradition in viewing the institution (see Roberts 1998). There does not seem to be any direct debate between Habermas and Lyotard about the university, even though they were engaged over the years in exchanges about many other topics. It is interesting to note the parallelisms in Lyotard's critique of Wilhelm von Humboldt and the German Idealists in general and Habermas' critique of Jaspers in his classic book.[3]

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[3] See especially the section "Narratives of the Legitimation of Knowledge" in *The Postmodern Condition* (Lyotard 1984: 31–37). For Lyotard (already in the 1960s) on the university, students, and faculty, see his *Political Writings* (Lyotard 1993: 33–83).

Jaspers, following the ideas expressed at the time of the founding of the University of Berlin, believes in the post-war (first, and then second world war) renewal of the university on the basis of its *idea* – he believes in preserving the German university through a rebirth of its foundational "idea". As Habermas comments on this line of thinking in his paper on "The Idea of the University: Learning Processes" (included in *The New Conservatism*), its "premises derive from the implicit sociology of German Idealism. Institutions are forms of objective spirit. An institution remains capable of functioning only as long as it embodies in living form the idea inherent in it" (Habermas 1989: 101). Indeed, in Jaspers, there is a strong Platonic dualism between the idea and its embodiment, the essence of the university and its earthly occurrence, the idea of the institution of the university and its living form. In thinking about what the university *is*, it is impossible to forget what it *should* be. Consequently, students and professors ought to "assimilate the idea of the university" and be "permeated by the idea of the university as part of a way of life" (Jaspers 1959: 75, 68). As Jaspers put it in an edition of the book commented on by Habermas, "only someone who carries the idea of the university in himself can think and act appropriately on behalf of the university" (Habermas 1989: 101). Both students and professors become guardians of the idea of the university, checking whether the institution is performing according to its ideal, serving the purposes it was meant to serve, and functioning properly i.e. in the way inherently present in its very idea. Habermas, following Friedrich Schleiermacher, finds communication crucial to the self-understanding of the university:

> The ingenious thing about the old idea of the university was that it was supposed to *be grounded in something more stable*: the permanently differentiated scientific process itself. But if science can no longer be used to anchor ideas in this way, because the multiplicity of the disciplines no longer leaves room for the totalizing power of either an all-encompassing philosophical fundamental science or even a reflective form of material critique of science and scholarship that would emerge from disciplines themselves, on what could an integrative self-understanding of the corporative body of the university be based? (Habermas 1989:124).

The institution may be successful in living up to the idea, or it may fail. The idea can never be "perfectly realized" though. Therefore "a permanent state of tension" exists at the university between the idea and the reality (Jaspers 1959: 70). The quality of the university is measurable against its ideal:

> The university exists only to the extent that it is institutionalized. *The idea becomes concrete in the institution.* The extent to which it does this determines the quality of the university. Stripped of its ideals the university loses all value (Jaspers 1959: 70).

According to Jaspers, the university is the only place where by concession of state and society "a given epoch may cultivate the clearest possible self-awareness. People are allowed to congregate here for the sole purpose of seeking truth" (Jaspers 1959: 1). Following the German ideal of "knowledge for its own sake", an academic's role is to pursue truth "unconditionally and for its own sake" (Jaspers 1959: 1).[4] The university derives its autonomy from the imperishable idea of academic freedom. The idea of truth figures prominently throughout the book, defining the purpose of the university ("seeking truth"), defining research as its foremost concern ("because truth is accessible to systematic search") and defining the unique character of scholars (those "who have committed their lives to the search for truth"). Referring to Plato, one can say that human beings are beings

[4] Leszek Kołakowski in his address "What Are Universities For?" hits the mark when he links the university with the foundations of our culture: "it is, in fact, impossible to prove that every taxpayer derives visible and tangible advantages from the fact that someone knows the Hittite language and the layout of Japanese gardens. The question to be posed should be that which is more general: why should we have a culture that does not serve technological progress nor increase material well-being? The only answer to that question is: in order to let mankind be that which it has always been. If culture means luxury then this is perhaps because mankind itself is a luxury of Nature" (Kołakowski 1997: 29–30). Somewhat in a similar vein, parallel questions could be posed with respect to philosophy itself, and the answer could go along the same lines. The Lyotardian criterion of "performativity" is increasingly applied to both university teaching and research, including philosophical teaching and research. In his formulation, "research sectors that are unable to argue that they contribute even indirectly to the optimalization of the system's performance are abandoned by the flow of capital and doomed to senescence" (Lyotard 1984: 47).

wishing to know[5]; the will to know determines human beings and separates them from animals. Consequently, the university is an institution

> Uniting people professionally dedicated to the quest and transmission of truth in scientific terms (Jaspers 1959: 3).

Kant, Fichte, Schelling, Schleiermacher, Humboldt, Hegel and other German thinkers from the end of the 18th and the beginning of the 19th century, felt the need to discuss the idea of the university from a radically new perspective. The new concepts from Jasper's definition referred to above are the following: "uniting people" for the sake of science (students and professors working together, rather than professors working merely for students), "professionally dedicated" staff (rather than dedicated in an "amateurish" way characteristic of

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[5] In the Platonic tradition of Western philosophy, the essence of being human is knowing, or as Richard Rorty put it in his magisterial *Philosophy and the Mirror of Nature*, "man's essence is to be a knower of essences" (Rorty 1980: 366). You shall not know, i.e. you are not allowed to take fruit from the tree of knowledge, the Hebraic tradition says; by contrast, you shall know, the Greeks told us in their legacy. The philosophical equation of "humanity" and "knowing" gave birth to the priority of epistemologically-centered thinking in philosophy, for the knowledge in question had to be more and more strict, methodical, and indubitable. Greek philosophical thought determined that for over two thousand years knowledge became privileged. Rorty argued that "in every sufficiently reflective culture, there are those who single out some area, one set of practices, and see it as the *paradigm human activity*. … In the mainstream of the Western philosophical tradition, this paradigm has been *knowing* – possessing justified true beliefs, or, better yet, beliefs so intrinsically persuasive as to make justification unnecessary" (Rorty 1980: 366, emphasis mine). Our view of Plato would be radically different if we accepted the account of ancient Greek philosophy provided by Pierre Hadot, the French historian of philosophy in which it was a "spiritual exercise". Key words dominating his analyses are "self-improvement", "self-realization", "self-modification", "therapy", "healing one's soul", "transformation of one's personality" and "conversion". Ancient philosophy viewed from the perspective of a spiritual exercise is seen not as a theoretical construct involving a search for truth but as a method of shaping one's own life and ones own vision of the world, as an attempt to transform one's personality. Michel Foucault in his writings on the "aesthetics of existence" was deeply influenced by Hadot's interpretations. Certainly, the most famous "anti-Platonist" in this anti-epistemological context for philosophy was Friedrich Nietzsche. See Kwiek 1996 and Hadot 2002.

the institutions of the Enlightenment), "the quest and transmission" of truth (rather than merely transmission to students, i.e. instruction becomes accompanied by research) and its pursuit "in scientific terms" (originally referred to the German ideal of *Wissenschaft*). So almost all the components of this definition contrast the new concept of the university with the old one. The scholar, in a Platonic manner in which truth, beauty and goodness are united, becomes a special sort of person: he must "dedicate himself to truth as a human being, not just a specialist", so what is required of him is the "serious commitment of the whole man" (Jaspers 1959: 3). Also the aim of instruction and research is the "formation of the whole man", "education in the broadest sense of the term" (Jaspers 1959: 3). The German ideal of *Bildung* which lay at the foundation of the projects for the university of Berlin and was fundamental to all German thinkers of the time, retains its force in Jaspers a century and a half later.[6]

It is interesting to follow the theme of academic freedom, institutional autonomy, and the relationships between the institution of the university, society and the state in Jasper's presentation. According to Habermas, Humboldt and Schleiermacher connected two notions with the idea of the university: the first was how to institutionalize modern science and scholarship (released of the tutelage of religion and the church) "without their autonomy being threatened by the state or the influence of bourgeois society"; the second was "why it is in the interest of the state itself to guarantee the university the external form of an internally unlimited freedom" (Habermas 1989: 108–109). The solution Humboldt and Schleiermacher found was a *state-organized autonomy*; science and scholarship

[6] The German ideology of *Bildung* goes back to German discussions about the "Enlightenment" in both Immanuel Kant's and Moses Mendelssohn' famous writings on the subject, as well as to Kant's *On Teaching* and his *The Conflict of the Faculties*. As Sven-Eric Liedman argues in his paper on the notion of *Bildung*, it was probably Johann Gottfried Herder in his journal *Account of My Travels* who was the first to use *Bildung* to denote the education of man and mankind generally. The institution that appeared to have had the biggest potential for encouraging the spread of *Bildung* was the modern university (see Liedman 1993: 77ff).

shielded both from political intervention and societal imperatives, and the university as a place where "the moral culture, indeed *the whole spiritual life of the nation* would come to be concentrated" (Habermas 1989: 109, emphasis mine). The two notions merged to form the idea of the modern university. Consequently, which is of crucial interest to us in the context of the present book, the university held an "affirmative" relationship with the state. As Gerard Delanty comments on the relationship in his *Challenging Knowledge. The University in the Knowledge Society*,

> The university needs the state to guarantee its autonomy. In return for this autonomy the university will *provide the state with a moral and spiritual basis*, becoming in effect a substitute for the Church (Delanty 2001: 33, emphasis mine).

Habermas in his lecture about "The University in a Democracy" claims that the task of the university is "to provide a political education by shaping a political consciousness among its students" and complains from a historical perspective that "for too long the consciousness that took shape at German universities was apolitical" (Habermas quoted in Delanty 2001: 65). This was the price that the university had to pay for the state's authorization of its freedom, its consequent "abstention from politics" (Habermas 1989: 113). At the same time, in his view, the idea of the university presented by Jaspers' predecessors was "daring and impossible":

> One does not realize *just how daring and impossible the idea of the university* defined in these famous founding documents was until one realizes the conditions that would have to be fulfilled for such a science to be institutionalized – a science that is to make possible and ensure, solely on the basis of its internal structure, the unity of research and teaching, the unity of the scientific and scholarly disciplines, the unity of science and scholarship with general education, and the unity of science and scholarship with enlightenment (Habermas 1989: 111).

Delanty states that "though universities were always important sites of intellectual resistance to power, the institution was primarily designed to *serve the national state* with *technically useful knowledge* and the *preservation and reproduction of national cultural traditions*" (Delanty

2001: 2, emphasis mine). Does the state need useful knowledge and national cultural traditions today as much as it used to in the era of competing nation-states, one may wonder? How do the two dimensions relate to the contemporary institution of the state in a globalizing era? The answer is complicated, and needs to be nuanced. Traditionally, the knowledge in question was knowledge for the state apparatus and its personnel: state officials and administrators, engineers, teachers, lawyers etc. Cultural traditions (in Germany embodied in the idea of *Bildung*), on the other hand, were crucial for the development of emergent nation- states. Both basic assumptions are being questioned today though. Delanty goes on to argue that "the university formed *a pact with the state*: in return for autonomy it would furnish the state with its cognitive requirements. The great social movements of modernity … had little to do with the ivory tower of the academy and its posture of splendid isolation" (Delanty 2001:2, emphasis mine). But this historical pact is slowly beginning to "unravel" today, as the state is no longer "the sole guardian of knowledge production" (Delanty 2001: 4). There are certainly several interrelated dimensions to the unraveling of the pact between the university and the state; the emergence of new knowledge producers and the consequent shifting patterns in financing knowledge production is one of them, others are the massification of higher education in advanced countries which has questioned the direct link between higher education and the state's need of it, and the changing relations between the state and public services. The state is retreating from being the *provider* to merely being *regulator* and is no longer the sole funding body for knowledge production. This development "fundamentally alters" the historical pact between knowledge and the state worked out in the late 17th century when state control over the production of knowledge was institutionalized in the university and the royal academies (Delanty 2001: 103). Wittrock described the social processes of the time as the search for

> *A new political order* to address the social and cultural questions. The solution, arrived at gradually, was *the notion of a modern nation-state. Higher education institutions greatly benefited from this solution. They were given access to much greater resources* than had previously been the case; and for almost a century,

> it largely seemed as if the knowledge explosion and occupational specialisation were but two different aspects of one and the same pervasive process of modernization (Wittrock 1993: 344, emphases mine).

Not surprisingly, from the perspective of academia, the state's role was to assure that sufficient resources were channeled to universities so that a society was provided "with a steady stream of competent personnel" (Wittrock 1993: 344).

Jaspers in his account of the relationships between the university and the state follows closely the classical German ideal of the university but is much more realistic. Habermas considers both the German Idealists' and Jaspers' views of the social, political, and cultural role of the university to be oversimplifications:

> When the classical German university was born, the Prussian reformers sketched an image of the university that suggests an oversimplified connection between scientific and scholarly learning processes and forms of life in modern societies. Taking the perspective of an idealist philosophy of reconciliation, they attributed to the university a power of totalization that necessarily overburdened this institution from the beginning (Habermas 1989: 108).

The enthusiasm of his predecessors is gone in Jaspers though; the belief in the healing social and political powers of the university, most vividly expressed in Fichte's *Addresses to the German Nation* of 1808 ("it is education alone that can save us from all the ills that oppress us", the state "will soon have no other big expenditures to make" and there will be a gradually decreasing need for armies, prisons, and reformatories based on the introduction of the new national German education, etc), is gone too. In Jaspers, the university and the state are closely interrelated but the influence of the state on the university is overriding; there are no traces of dreams (Platonic in origin) of philosophers-kings, scholars who would be leading the leaders of the nation, that were still present in his predecessors. As Jaspers expresses the essence of the relationship between the university and the state:

> The university exists through the good graces of the body politic. Its existence is dependent on political considerations. It can only live where and as the state desires. The state makes the university's existence possible and protects it (Jaspers 1959: 121).

It is only the good will of the state and society in letting the institution function by funding it, meaning the modalities of its functioning are clearly determined by the state. The university "can only live *where and as the state desires*", which brings in a dimension which was largely absent in the philosophical discussions about the University of Berlin. Thus while the founding fathers believed the relationship had a much more reciprocal nature, imagining the renewal and rebirth of the German state and German nation (and even of the human race in some formulations, like in Fichte and Schelling when the notion of *Bildung* was transformed to refer also to humanity) through the medium of the new university, Jaspers is much more moderate in his conception of the university. The institution in his formulation basically serves the state and the nation and is fully dependent on their good will to keep funding it. The balance of power is certainly different, even though in general Jaspers follows his classical German predecessors very closely in many other aspects. The university does not exist as a place of "knowledge for its own sake"; the university, rather, "owes its existence to society, which desires that somewhere within its confines pure, independent, unbiased research be carried on. Society wants the university because it feels that the pure service of truth somewhere within its orbit serves it own interests" (Jaspers 1959: 121). The difference is crucial, even though the formulation may sound misleading: it is society that finds "knowledge for its own sake" useful, and serving its own interests; in the declarations of his predecessors, it was actually the very ideal that was most important, not its usefulness for society or for the state.

The relationships between the university and the state are no longer metaphysical, and even when they are good, they can never be taken for granted; they are tense. They are strongly determined by time and place, that is, by historical contingencies. To put it in a nutshell, the university exists in the way it is allowed to exist, and is transformed as the state and society – and evolving social and political needs – are transformed. Despite the idea of the university, its living forms or earthly embodiments may differ considerably according to varying political and social influences. As Jaspers conveys the idea, "society provides the university with legal and

material support … Thus *the university is continuously serving the needs of state and society, and bound to change as society and the professions change*" (Jaspers 1959: 122, emphasis mine). The changes in "educational outlook" parallel the changes "which a nation undergoes in the course of its history" (Jaspers 1959: 48). Consequently, Jaspers goes as far as to characterize education as "the manner by which these social bodies [church, class, nation etc – MK] perpetuate themselves from generation to generation. Hence education becomes transformed when there are social revolutions" (Jaspers 1959: 48). It is interesting to note in Jaspers a peculiar mixture of strong philosophical beliefs and strong assumptions taken directly from the sociology of knowledge, which in some passages bring him close to Max Weber, Karl Mannheim or Pierre Bourdieu. While his German predecessors referred largely to the *philosophical idea* of the university, Jaspers, especially in defining the relations of the university with the state, is much more a student of contemporary political sciences than of the German philosophical classics.

There is an ever-present historical conflict between the idea of the university (derived from philosophy) and the actual changing demands of society and the state, Jaspers claims. The university is being influenced by political and sociological factors. But "behind its many changing forms looms the timeless ideal of intellectual insight which is supposed to be realized here, yet which is in permanent danger of being lost" (Jaspers 1959: 123). It is not possible to find such realistic/pessimistic passages in any of the founding fathers of the German university. What never occurred to them before was obvious to Jaspers after one hundred and fifty years in the history of the modern university and of its relationships with the state: "the relations between state and university are almost always tense, often marked by an open conflict. … For without the state the university is helpless" (Jaspers 1959: 124). The last sentence would have most probably been unthinkable to them.

The difference could be expressed in the following way: Jaspers' predecessors emphatically believed in the regeneration of the German *nation* through the new idea of the university; Jaspers, by contrast, believed merely in the renewal of the *university* on the basis of its

classical idea. The scope of their intent is radically different: the former meant huge social transformations in which the university, and education more generally, was supposed to be a leading force; the latter, in turn, wanted to transform the university itself, hardly ever expressing the desire to transform the social or political world around him, be it the German nation or humanity, by the medium of the institution. After a century and a half, it became obvious that in the relationships between the university and the state, there would be periods of fruitful cooperation and periods in which "the philosophical ideal suffers utter defeat", and the history of the university would be an "alteration of periods of sterility with periods of vitality" (Jaspers 1959: 123). Jaspers' realism/pessimism is further testified to by such statements as e.g. "while the university can never become 'a state within a state' in the full sense of the word, the converse, its degradation to the rank of a public institution bereft of all individuality, is quite conceivable" (Jaspers 1959: 124).[7]

It is interesting to note Jaspers' clear dismissal of the possibility that the state does not want to help realize the idea of the university (Jaspers 1959: 124). Perhaps what was inconceivable to Jaspers half a century ago is becoming more and more probable today, and in this context Jaspers' point sounds fundamental. What is the attitude of the state to the (German) idea of the university, as developed by its German founding fathers, and as glossed over by subsequent philosophers, sociologists and thinkers from John Henry Newman to Max Weber, Martin Heidegger, Ortega y Gasset, Karl Jaspers, Jürgen

[7] See the current discussions of the university as part of the public sector, and the university's relative loss of its (social, political and economic) uniqueness, in Chapter 3. To recall again a brief quotation about the impact of "new managerialism" on higher education: "indeed, by implementing it right across the entire public sector, education systems have lost their *sui generis* character. Organisation, structures and basic practices look similar in education, health, welfare and other public sector bureaucracies" (Henry et al. 2001: 33). Or in the slightly different formulation of Susan Robertson and Roger Dale, the basic element of neo-liberal governance that impacted on education was that it became "mainstreamed": "the whole public sector was to be administered and managed according to the same principles, with no exceptions or concessions to be made in respect of 'sectoral special pleading'" (Robertson and Dale 2003: 8–9).

Habermas, Jaroslav Pelikan, Martha C. Nussbaum and the whole bunch of recent postmodern critics of the modern university, from Jean-François Lyotard to Jacques Derrida to Bill Readings?[8] The state and society evolve, and based on Jaspers own assumptions, so should the university evolve. In Jaspers' account though, the worldly embodiments of the university still bear a direct relation to its ideal, to an almost Platonic Idea of the university; it was inconceivable to Jaspers that the worldly embodiments of the university could diverge from the ideal too far and consequently could begin to lose contact with the idea of the university. Habermas in this context criticized both Jaspers and his predecessors.

The state in Jaspers is the "ubiquitous overseer of the university's corporate independence". The university, in turn, "confidently accepts state supervision so long as this does not conflict with the cause of truth" (Jaspers 1959: 125). It is incompatible with the idea of the university that the state demands "any more direct services from the university than to supply professionally trained people" (Jaspers 1959: 127). The role of the state in education in Jaspers' account may be downplayed with reference to the past, but overestimated with reference to the present though. Jaspers argues that the state has a direct stake in education because it wants "civil servants, doctors, ministers, engineers, chemists and the like" (Jaspers 1959: 127).

There are certainly several parallel readings of the historical coincidence which caused German philosophers to engage in conceptualizing the new research-centered university, and certainly

[8] The following works have been of interest to me, even though they have in general not found their way into the present book (mostly for the reason that the book is forward-looking, rather than historically-oriented, except for the present chapter and a few sections in other chapters; or due to its focus on the future of the German-inspired version of the university, rather than on its American, heavily transformed, counterparts): Newman's *The Idea of the University*, Max Weber's *On Universities. The Power of the State and the Dignity of the Academic Calling in Imperial Germany*, Martin Heidegger's "Rectorial Address", Ortega y Gasset's *Mission of the University*, Jaroslav Pelikan's *The Idea of the University. A Reexamination*, Martha C. Nussbaum's *Cultivating Humanity. A Classical Defense of Reform in Liberal* Education, Lyotard's *The Postmodern Condition*, and Derrida's "Mochlos; as well as the Conflict of the Faculties" and "The Principle of Reason: The University in the Eyes of Its Pupils".

some of them may be a "retrospective construction" (Rothblatt and Wittrock 1993: 117), but the historical, sociological and philosophical narrative of the coterminous birth of the modern institution of the university and the emergence of the nation-state seems very much convincing. Assuming the narrative gets the picture right, the state during a large part of the nineteenth century wanted the university to serve the dual purpose of national knowledge production and the strengthening of national loyalties (a theme which is developed separately in Chapter 3). As Björn Wittrock argues in his essay "The Modern University: The Three Transformations",

> The emergence of the modern university is by and large a phenomenon of the late nineteenth century. It is only in this period that universities are resurrected as primary knowledge-producing institutions and that the idea of a research-oriented university becomes predominant. It is only too obvious that this institutional process is intimately linked to another one, namely the rise of the modern nation-state, whether in newly formed politics on the European continent, such as Italy or Germany, or through the reform of older state organizations, such as France or the United States of America (Wittrock 1993: 305).

So the university may have been much more useful to the state than Jaspers actually assumes in his thinking (and which is testified to by the philosophical writings which provided the underpinning of the institution in its "Humboldtian" version, discussed later in this chapter). At the same time though, thinking about the present, the state no longer "wants" engineers, doctors, chemists etc, even though it "wants" ministers and civil servants. In higher education that has achieved a massive, if not universal, reach, the state is increasingly becoming one of the less important stakeholders in academia, especially in Anglo-Saxon countries. The whole concept of education as a "public good" as opposed to a "private good", as well as the changing role of the state in the social production of competent "civil servants, doctors, ministers, engineers, chemists and the like" comes to the fore. Again, to return to Wittrock's arguments, "far from being detached from the basic societal and political transformations of the modern era, universities form part and parcel of the very same process which manifests itself in the emergence of an industrial

economic order and the nation-state as the most typical and most important form of political organisation" (Wittrock 1993: 305).

Jaspers, at least declaratively, maintains the role of philosophy at the university accorded to it by German Idealists and Romantics.[9] As Habermas puts it, "the reformers attributed to philosophy a unifying power with regard to what we now call cultural tradition, socialization, and social integration" and "philosophy presents itself as a reflexive form of culture as a whole" (Habermas 1989: 110, 119). Jaspers argues along the same lines as his predecessors and presents philosophy as a guardian of both culture and the idea of the university. The philosophical faculty, that is more or less the faculty of arts and sciences, enjoys a "unique position" at the university; from the viewpoint of research, it "by itself comprises the whole university" (Jaspers 1959: 87), and without the uniqueness and unity of the philosophical faculty, the university becomes "an aggregate, an intellectual department store" (Jaspers 1959: 88).[10] Certainly his belief in the emancipatory and culture-producing powers of philosophy is much smaller than originally presented by his predecessors, but nevertheless it is still relatively strong. The attitude of his predecessors is vividly described by Habermas in the following passage:

> By grasping its age in thought, as Hegel was to say, philosophy was to replace the integrative social force of religion with the reconciling force of reason. Thus Fichte could see the university, which merely institutionalized a science of this kind, as the birthplace of an emancipated society of the future, even as the locus of the education of the nation (Habermas 1989: 111).

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[9] The uniqueness of the modern German university was its *reliance on philosophy*; as one commentator put it, "the Berlin type of university was unique because the research mission added to the official duties of the professor. But it was also unique because, just as Kant once proposed, it made the philosophy faculty central. It was most of all there that the student received *Bildung*, and it was also there that research had its natural home. Remarkable, too, was the crucial role allotted to philosophy itself. The spirit of philosophy was intended to imbue all branches of the university; the universality and unity of the university were to be guaranteed by philosophical research and the philosophical training of students" (Liedman 1993: 82).

[10] As Sheldon Rothblatt comments in his *The Modern University and Its Discontents*, "the disciplinary crown of the German idea of a university was philosophy (and philology, as incorporated into the faculty organizational structure of the Continental university). Philosophy was the means for unifying the disciplines" (Rothblatt 1997: 22).

While John Henry Newman saw teaching as the university's main concern,[11] both for the German Idealists and Romantics, as well as Jaspers following in their footsteps, the essence of the university was in its *unity of teaching and research*.[12] The very first sentence of Jaspers' book states clearly that a university is: "a community of scholars and students engaged in the task of seeking truth" (Jaspers 1959: 1). The university is the place "where truth is sought unconditionally in all its forms. All forms of research must serve truth" (Jaspers 1959: 63).[13] As

[11] Newman wrote a program for a proposed new Roman Catholic university in Ireland – the famous *The Idea of a University* (or rather *The Idea of a University Defined and Illustrated*: *I. In Nine Discourses Delivered to the Catholics in Dublin*, 1852, and *II. In Occasional Lectures and Essays Addressed to the Members of the Catholic University*, 1858) – and in the first sentence of his "Preface" he states his positions clearly: the function of the university is *teaching* (or the dissemination of knowledge). The university in this view is "a place of *teaching* universal *knowledge*. This implies that its object is, on the one hand, intellectual, not moral; and, on the other, that it is the diffusion and extension of knowledge rather than the advancement [of knowledge]. If its object were scientific and philosophical discovery, I do not see why a University should have students; if religious training, I do not see how it can be the seat of literature and science. Such is a University in its essence, and independently of its relation to the Church. But, practically speaking, it cannot fulfill its object duly, such as I have described it, without the Church's assistance; or, to use the theological term, the Church is necessary for its *integrity*" (Newman 1996: 3). For excellent historical commentaries on the Newmanian version of the university, see the contributions to a recent new edition of Newman's lectures, especially Frank M. Turner, "Newman's University and Ours" and Sara Castro-Klaren, "The Paradox of Self" (Newman 1996). A major part of Sheldon Rothblatt's *The Modern University and Its Discontents* is focused on Newman's legacy (Rothblatt 1997). For a thorough rereading of Newman in a current American context, see especially Jaroslav Pelikan in his *The Idea of a University. A Reexamination* who is interested mostly, if not exclusively, in Newman; as Pelikan puts it explicitly, "throughout this volume I am engaged in an ongoing dialogue with one book", i.e. Newman's (Pelikan 1992: x).

[12] Jürgen Habermas links the origins of this view of "scientific process as a narcissistically self-enclosed circular process of teaching and research" to the philosophy of German Idealism that required this unity by its very nature (Habermas 1989: 110).

[13] Or as Kazimierz Twardowski, a famous pre-war Polish philosopher, describes an academic in his "The Majesty of the University": "a university teacher is first of all a servant of objective truth, its representative and herald *vis-à-vis* the young people and society at large. It is an extremely honorouble service, but it is demanding as well… He who decides to serve under the banner of science must renounce all that which might turn him away from the path indicated by it" (Twardowski 1997: 13–14).

Sven-Eric Liedman argues in his paper on the notion of *Bildung*, "Berlin was the first university in the world where research and not only instruction was regarded as a primary duty of its professors" (Liedman 1993: 82). The place of research is fundamental to the university and it determines the relations between students and professors: "the university itself exists for research, fulfills its meaning through research. *The student is the scholar and scientist-to-be*" (Jaspers 1959: 54, emphasis mine).[14] Certainly, in an age of widespread higher education, the latter assumption no longer holds with respect to students in general, although it might still be tenable with PhD students in those higher education systems in which they are students.

Despite the fundamental role accorded to research, Jaspers defines the core activities of the university in the following manner:

> Three things are required at a university: professional training, education of a whole man, research. For the university is simultaneously a professional school, a cultural center and a research institute (Jaspers 1959: 40).

The institutions ought not to choose between the three because in the idea of the university they are "indissolubly united". He goes on to argue that "one cannot cut off one from the others without destroying the intellectual substance of the university. … All three are factors of a living whole. By isolating them, the spirit of the university perishes" (Jaspers 1959: 40–41). Research is related to human beings' will to know: "within the life of the university teachers and students are driven by a single motive, man's basic quest for knowledge" (Jaspers 1959: 41). A good teacher must be a good researcher, this is a constant motive throughout the book: teaching needs the substance "which

[14] Ortega y Gasset in his *Mission of the University* comments on the issue of students and scientists thus: "whether we like it or not, science excludes the ordinary man. It involves a calling most infrequent, and remote from the ordinary run by the human species. The scientist is the monk of modern times. To pretend that the normal student is a scientist, is at once a ridiculous pretension… But furthermore it is not desirable, even under ideal circumstances, that the ordinary man should be a scientist" (Gasset 1944: 75–76). In a similar vein, Max Weber in 1919 gave a lecture at the University of Munich about "science as a vocation" and the academic "calling", the famous "Wissenschaft als Beruf" (Weber 1944: 54–62).

only research can give".[15] Therefore the combination of teaching and research is "the lofty and inalienable basic principle of the university" (Jaspers 1959: 45). Jaspers' figure of the professor is fully consistent with the professor in the German ideal of the university and echoes traditional German formulations: "only he who himself does research can really teach. Others only pass on a set of pedagogically arranged facts. The university is not a high school but a higher institution of learning" (Jaspers 1959: 45).

After Jaspers, there seem to be no major attempts to redefine the role and tasks of the institution of the university along the lines suggested by the classical German idea of the university. Let us go back now to Jaspers' and Habermas' predecessors and the historical and intellectual circumstances in which the so-called Humboldtian idea of the university was born.

2.2. On *Bildung*, Knowledge for its Own Sake, and the Origins of the German Idea of the University (Wilhelm von Humboldt)

Hermann Röhrs claims in his study on the *Classical German Concept of the University and Its Influence on Higher Education in the United States* that the philosophy of the German universities was dictated by the pursuit of knowledge for its own sake. The most significant fruit of this new identity – the classical German concept of the university – "defined the mission of scholarship as the quest for truth within the framework of methodically organised research". The new university was guided by the spirit of the search for truth, with the involvement of the students as partners and collaborators in the research process (Röhrs 1995: 12–13).[16] In more historical terms, he goes on to argue that

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[15] Jerzy Kmita asks a number of important questions about the role of (Florian Znaniecki's) "creative man of knowledge" in university teaching. His answer is clearly Rortyan: he or she is needed by "the culture of Liberalism", not only in academic teaching (Kmita 1997: 189).

[16] As J.A.G. Thompson argues in her *The Modern Idea of the University*, "when educational reformers imported the German research model in the late 1800s, with its

> After Halle (which was in fact the Prussian reformed university) had been assigned to the newly established kingdom of Westphalia by Napoleon after the war of 1806–1807, the need for modern foundation arose simultaneously with the plan for internal reform with a well-developed nucleus of scholarship, which would be able to provide guidance and security together. *Compensation for material loss by an intellectual revival* which would be able, through deepening of learning and an awakening of the moral sense, to fortify Prussia's authority in the world, was the objective, selected in the bitterest need; it's a part of the comprehensive reform of the state under Stein, a reform which gives this period its continual fascination as *a model for the renewal of the state by the power of thinking* (Röhrs 1995: 17–18, emphases mine).

Lenore O'Boyle in her paper on "Learning for Its Own Sake: The German University as Nineteenth-Century Model" describes in general terms the role of the new German idea of knowledge for its own sake, and states that in the 19th century the German university was the most admired institution of higher education in the Western world:

> Much of this admiration arose from the widespread assumption that Germany's universities exemplified the ideal of pure learning, the disinterested pursuit of truth, knowledge for its own sake. German contemporaries saw the university in these terms, contemporary observers elsewhere agreed, and modern historians have accepted the statement of purpose. Yet one may wonder why such phrases, relatively new ones in Germany, where eighteenth-century thinking had moved in the direction of utilitarianism in higher education, were so easily accepted there or elsewhere. Neither their exact meaning nor their practical implications were clear, and even a cursory examination should have revealed their ambiguities. "Knowledge for its own sake" raised questions about the overall place of teaching in the university, and particularly about the interest of the state in furthering the universities as schools for future government officials and clerics. What was the connection with the ideal of *Bildung*, or general culture, the full development of a man's capacities? And how to explain that in practice the aim became increasingly identified with an imperative of research and publication (O'Boyle 1983: 3–4).

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emphasis on the technical aspects of scholarship and exact research, they failed to import the idealistic philosophy that lay behind the German investigative methods: their search for underlying spiritual unities, and the German concept of *Wissenschaft*, where investigation must proceed in a broad, deep, contemplative context" (Thompson 1984: 25).

How are we to explain these developments? O'Boyle provides an explanation on the grounds of the sociology of knowledge. The ideal of "knowledge for its own sake", derived from the German Idealists and Romantics in the context of the emergence of the conceptual grounds for the University of Berlin, was to serve to legitimize the creation of a new profession for the representatives of the lower middle class, for whom the opportunities for upwards social mobility were scarce. Gradually, university teaching became a full-time occupation, professors became salaried university clerks and they could devote all their energies to teaching and doing research at the university. They began forming their own organizations and journals and building their communities of inquiry; they saw each other as peers and wrote with each other in mind; they judged each other in terms of "intellectual merit" rather than social background or personal factors. Members of the emergent academic profession came to use universities to build up their "power to certify competence and thus control their own succession" (O'Boyle 1983: 6).[17] Through the system of selection of their own successors[18], university professors gained the power of imposing their judgments in areas vital to those

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[17] How different it is today, in the age of the "network society". As Zygmunt Bauman stresses, "it was the opening of the information superhighway that revealed, in retrospect, just how much the claimed, and yet more the genuine, authority of the teachers used to rest on their *collectively exercised, exclusive control over the sources of knowledge and the no-appeal-allowed policing of all roads leading to such sources*. It has also shown to what extent that authority depended on the unshared right of the teachers to shape the 'logic of learning' – the time sequence in which various bits and pieces of knowledge can and need be ingested and digested. With those once exclusive properties now deregulated, privatized, floated on the publicity stock exchange and for grabs, the claim of academia to be the only and the natural seat for those 'in pursuit of higher learning' sounds increasingly hollow to the ears of everybody except those who voice it" (Bauman 2001: 130–131, emphasis mine).

[18] To recall here Karl Jaspers, and Jürgen Habermas' criticism of his model of the university: "the student is the scholar and scientist-to-be" (Jaspers 1959: 54) and "professors are to train their own successors. The future researcher is the sole goal for the sake of which a university composed of teaching scholars takes on the tasks of instruction" (Habermas 1989: 111). Certainly these assumptions no longer hold, except for top PhDs in some top academic institutions.

seeking careers. O'Boyle emphasizes the voluntary nature of the transformation processes when she argues that:

> The acceptance of the new academic profession in Germany was made evident in the public's willingness to confer money, autonomy, and status. Professors were not rich, but they had security and resources sufficient for a bourgeois existence. Their rights of academic self-government were considerable if not unlimited, as was their ability to define what students must study. Status increased abundantly throughout the century; professors secured a ranking system that paralleled their titles with those of the government bureaucracy (O'Boyle 1983: 8).

The above processes seem to be slowly coming to an end today (though to varying degrees in different systems of higher education and in different parts of the world, with major differences to be born in mind between e.g. developed and developing countries, Anglo-Saxon and Continental European countries, European and European transition countries, including new EU Member states etc).

Let us briefly compare the research results of current studies on the academic profession to the processes mentioned above by O'Boyle. In the most general terms (and without getting into the statistical details and public policy directions accepted by various governments with respect to higher education), a willingness to confer "money, autonomy, and status" has been gradually declining over the last two decades or so. In many countries in which until fairly recently a "bourgeois existence" for academics – that is basically an upper middle class way of life – has been the norm rather than the exception, the gap between the academic profession and other professionals is growing wider. The academic profession, again in the most general terms, is comparatively losing ground all over the world to all those whom Robert B. Reich aptly called "symbolic analysts" (Reich 1992). Academic self-governance is widely threatened as traditional forms of collegiality are being replaced by new managerial styles of running universities (more and more often with chief human resources officers, chief planning officers and chief executive officers, increasingly mirroring business structures rather than the structures of public sector institutions; with deans no more being elected etc (see especially Currie and Newson 1998; on managerialism, and Michel

Foucault, see Peters et al. 2000). The ability of universities to define by themselves what students must learn is also considerably weakened, together with the increasing standardization of university curricula (and possibly with the "Europeanization" of university curricula in the European Union, a recent example of which has been provided by the "Tuning Project" financed by the European Commission, and by envisaging new pan-European accreditation schemes and agencies in the future).[19] The link in status and salaries between government officials and the professoriate was also lost long ago in numerous countries. Consequently, O'Boyle's description of the emergent German academic profession in the 19th century, still somehow relevant for a major part of the 20th, does not correspond anymore to the actual current situation in many parts of the world and in many institutions. As Philip G. Altbach reported recently, "the traditional ideal, and self-concept, of the professor is no longer valid for the academic profession as a whole. Diversification of institutions has meant diversification of the professoriate as well" (Altbach 2000: 3).[20]

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[19] One of the dangers for European universities in following (blindly) the lines of the Europeanization of higher education is that their *traditional diversity* may be lost. As Zygmunt Bauman stressed well before the Bologna declaration was signed, "it is the good luck of the universities that despite all the efforts of the self-proclaimed saviours, know-betters and well-wishers to prove the contrary, *they are not comparable, not measurable by the same yardstick and – most important of all – not speaking in unison*. Only such universities have something of value to offer to the multivocal world of uncoordinated needs, self-procreating possibilities and self-multiplying choices. In the world in which no one can anticipate the kind of expertise that may be needed tomorrow, the dialogues that may need mediation, and the beliefs that may need interpretation …, here the recognition of many and varied ways to, and many and varied canons of, higher learning is the condition *sine qua non* of the university system capable of rising to the postmodern challenge" (Bauman 1997b: 25, emphasis mine). On the current state of accreditation in particular European countries and on ideas for pan-European accreditation schemes, see the excellent recent book ed. by Stefanie Schwarz and Don F. Westerheijden, *Accreditation and Evaluation in the European Higher Education Area* (Dordrecht: Kluwer, 2004).

[20] Thinking of current worldwide trends, it is most useful to refer to research studies conducted by Philip G. Altbach and the participants of his recent international collaborative research projects (in the case of EU countries, parallel projects were run by Jürgen Enders). The trends in higher education affecting the academic profession include massification, accountability, privatization and marketization (Altbach 2002a: 2). On the

Both the "golden age" of the university and the "golden standard" of the professor seem to be endangered today.

According to the German model, O'Boyle argues, the professor existed "to write scholarly books and to train successors". Or, as Gerard Delanty put it, "the professors constructed themselves as the representatives of the nation and in this way *made themselves indispensable to the state* for whom they were the 'interpreters' of the nation" (Delanty 2001: 34, emphasis mine). The major question O'Boyle asks is why did the new ideal of the university, and the corresponding model of its professor, succeed in Germany? Why were professors permitted by society to go on working at the university in the way they were working? Her answer is that the new type of university and its teaching was "politically useful, personally congenial, and economically and socially justifiable" in terms of German needs (O'Boyle 1983: 12).

Even though I fully agree that the reason for the emergence of the modern institution of the university in Germany, as well as the new relationships between the university and the state, was *political*, I will be providing an alternative explanation to what she claims to be the real reason: to divert the intellectual and cultural elites from a serious concern with political thought. I am much more inclined to attribute the development of the modern university in the from known to us as the "Humboldtian" university to *the needs of the rising nation-state*, and to argue along the lines sketched out by Björn Wittrock in his influential "The Modern University: The Three Transformations" (1993), Gerard Delanty's *Challenging Knowledge. The University in the Knowledge Society* (2001), Bill Readings' *The University in Ruins* (1996), Andy Green's *Education, Globalization, and the Nation*-State (1997), Jürgen Enders' "Higher Education, Internationalisation, and the Nation-State: Recent Developments and Challenges to Governance Theory" (2002) and many others. To recall the memorable expression here again, "universities form part and parcel of the very same process which manifests itself in the emergence of an industrial economic order and the nation state as the most typical and most

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academic profession, see also Boyer, Altbach and Whitelaw 1994; Altbach 2000; Enders 2000; and Enders and de Weert 2004.

important form of political organisation" (Wittrock 1993: 305). There is certainly no single narrative (or "history") of the rise (and possibly fall) of the modern university; there are certainly competing narratives based on competing historical, political, cultural, social and economic accounts. From a historical perspective, it is possible to claim that only those which are the most convincing will survive; to survive, they need powerful arguments, with small details fitting into larger pictures, and compelling visions of the past and the future. The present book, taken as a whole, attempts to enter the battlefield of interpretations and provide new and interesting insights presenting a larger picture for both the scholarly and general reader.

There are three main principles of the modern university to be found in German thinkers, the founding fathers of the University of Berlin. The first principle is the unity of research and teaching (*die Einheit von Forschung und Lehre*); the second is the protection of academic freedom: the freedom to teach (*Lehrfreiheit*) and the freedom to learn (*Lernfreiheit*); and the third is the central importance of the faculty of philosophy (the faculty of Arts and Sciences in modern terminology) (see Fallon 1980: 28ff.; Röhrs 1995: 24ff.). The three principles are developed, to varying degrees, in Schelling, Fichte, Schleiermacher and Humboldt.[21] Together, the three principles have guided the modern institution of the university through the 19th century to the 20th century, and possibly beyond. To what extent these principles are being questioned today, by whom and in what segments of the diversified systems of higher education is a different issue. Very briefly, and without the necessary nuancing of the answer, the principle of the unity of teaching and research still guides the functioning of our *universities*, but not so much our higher education sector in general[22]; academic freedom is under severe attack in both

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[21] By contrast, Cardinal Newman's idea of the university did not refer to the German notions of *Lehrfreiheit* and *Lernfreiheit*. As Sheldon Rothblatt remarked about Newman's university, "since teaching was the function of a university, it was important to teach the right things" (Rothblatt 1997: 14).

[22] It was Ortega y Gasset who argued strongly against the unity of teaching and research and questioned the Humboldtian unity of the two activities; he claimed that "the teaching of the professions and the search for truth *must* be separated. They must

developed and developing countries[23], from a variety of directions, including threats from the state and business sectors, perhaps especially from transnational corporations in selected areas; and the third principle, the centrality of philosophy to the functioning of the university, seems to be the most endangered, if not already abandoned, both in theory and in practice.[24]

Jürgen Habermas claims in his lecture on "The Idea of the University: Learning Processes" that Humboldt and Schleiermacher connect two notions with the idea of the university. The first is related to the question of how modern science and scholarship (*Wissenschaft*) can be institutionalized without losing their autonomy either to the state or bourgeois society. The second is related to their will to explain why it is in the interest of the state itself to guarantee the university an external form with an internally unlimited freedom.[25]

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be clearly distinguished one from the other, both in the minds of the professors and in the minds of the students. … As a general principle, the normal student is not an apprentice to science. … Why do we persist in expecting the impossible?" (Gasset 1944: 76–77).

[23] The dialectic of centers and peripheries has recently been analyzed by Philip G. Altbach (2002). He remarks that "the fact that academics in developing countries function in a world of peripherality and, to varying degrees, dependency, is central to understanding the nature of academic work and the role of universities. While the professoriate everywhere is increasingly part of a global academic community, the wealthier and better-developed university systems of the North have more autonomy and resources with which to support independent teaching and research. Thus, while academe worldwide is increasingly affected by the power and influence of the largest academic systems, and especially those that use English, the developing countries are at the bottom in a world system of unequal academic relationships. By its nature, scholarly work in the 21st century is interdependent; the developing countries are *importers of knowledge, and have little if anything to offer in return*" (Altbach 2002b: 5, emphasis mine).

[24] Perhaps it is interesting to note that both current philosophy and philosophers do not seem to be inclined to return to the issue of the future of the university (not to mention: the future of the *idea of the university*). It is very rare indeed to see philosophers discussing the issue more than in passing (exceptions include e.g. Habermas and also Martha Nussbaum in *Cultivating Humanity*).

[25] Kazimierz Twardowski when receiving his honorary doctorate at the University of Poznań (the present author's home university) in 1932, argued that "the opportunity to perform the task specific to the University is conditioned by its *absolute*

They found the solution to the first problem in a "state-organized autonomy of science and scholarship that would shield institutions of higher learning from both political intervention and societal imperative" (Habermas 1989: 109). The two notions merged to form the idea of the university and they explain some of the most striking features of the German university tradition:

> They make comprehensible (1) the affirmative relationship of university scholarship, which thinks itself apolitical, to the state, (2) the defensive relationship of the university to professional practice, especially to educational requirements that could jeopardize the principle of the unity of teaching and research; and (3) the central position of the philosophical faculty within the university and the emphatic significance attributed to science and scholarship for culture and society as a whole. … Thus the idea of the university produced on the one hand an emphasis on the autonomy of science and scholarship … This autonomy, of course, was to be made use of only in "solitude and freedom", at a distance from bourgeois society and the political public sphere. From the idea of the university there also comes, on the other hand, the general culture-shaping power of science in which the totality of the lifeworld was to be concentrated in reflexive form (Habermas 1989: 109).

Both notions mentioned here by Habermas are found in Humboldt, Schleiermacher, Fichte and Schelling, in different versions and with different intensity. Regarding Humboldt's two main texts on the university, both are very practical and relatively short. One is "Antrag auf Errichtung der Universität Berlin" ("Proposal for the Establishment of the University of Berlin") written in 1809 to King Frederick William III and the other is "Über die innere und äussere Organisation der höheren wissenschaftlichen Anstalten in Berlin" ("On Internal and External Organization of Higher Scientific Establishments in Berlin") written in 1810 (one could also add to this list a third and minor text, "The Education Program for Königsberg

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spiritual independence. … But those who fund and maintain Universities would totally misunderstand the University if they wished to restrict its work in any way whatsoever by making reservations in advance against some of its results and indicating what results would be desirable. … For scientific research can develop and bring its work to fruition only if it is completely free and not threatened in any manner" (Twardowski 1997: 11–12).

and Lithuania", written in 1809). It is an interesting historical fact that Wilhelm von Humboldt spent a mere 16 months in the Prussian Ministry and actually did not take part in the German discussions about the institution of the university which had started before the end of the 18th century and lasted until the opening of the University of Berlin in 1810. As Daniel Fallon expressed his reservations,

> The tribute lavished on Humboldt is so extravagantly adulatory that the contemporary observer is led to believe that he not only devoted his life to the university but also created the institution alone from whole cloth. … [T]here is little to suggest that he did much more than synthesize and bring to fruition, through competent management within the government bureaucracy, an idea developed in large measure by others (Fallon 1980: 11).

Nevertheless, for a few generations, academe has been discussing the "Humboldtian" university, as well as the "Humboldtian" idea and ideal of the institution, rarely mentioning the names of Kant, Schelling, Schleiermacher, Fichte and others. The answer given by Fallon lies in the intersection of two historical circumstances. First, Humboldt was a "clear-thinking intellectual with practical government expertise"; second, the *Zeitgeist* gave rise to "the possibility for an individual person, one could say a hero, to unify and resolve authoritatively the tension generated by various passionately held ideas of similar intent but very different detail" (Fallon 1980: 14). It is a very Hegelian explanation but seems to fit the age perfectly: at some point, following Hegel's teachings, an individual develops a world-historical dimension and it is the spirit (or *Geist*) that makes him a hero (Hegel strongly believed he was such a hero in intellectual matters himself, being complemented in political matters by Napoleon; and a century and a half later, one of the greatest Hegelians of all time, Alexandre Kojève, in his famous *Introduction to the Reading of Hegel*, believed himself to be an intellectual hero, with Stalin as a complementary figure in politics[26]). Whatever explanation we present, the facts are there: the

[26] I have written a book on the relations between philosophy and politics, and intellectuals and politics, in the Hegel-inspired intellectual climate of post-war France (see Kwiek 1998a).

"Humboldtian" – rather than any other – university has been a constant point of reference for university reformers in major parts of Continental Europe for two centuries now.

In Humboldt's "Proposal for the Establishment of the University of Berlin" there are several interesting motives to be highlighted here: the clear link between the university and the state, the will to retain the name "university" for the new institution (in contrast to many other proposals from the period in which the word was avoided as carefully as possible), and the issue of university funding. The timing was not favorable for founding a university, Humboldt argued, considering "recent unfortunate events", and the plan proposed by the Education Section of the Ministry should perhaps be based on an assumption of "calmer and happier times" (Humboldt 1989: 233). The city of Berlin is the only location the King and the Prussian government should think of: "The institution which is focused on everything that university science and arts is composed of cannot be located in any other place than next to the seat of the government" (Humboldt 1989: 235). The new institution should be called the "university" and should "include everything that the notion of the university carries with itself" (Humboldt 1989: 235). Finally, the "fundamental task of its administration will always be the following: to keep trying to gradually … lead to the situation in which the whole of education will no longer be a burden on the coffers of His Majesty" (Humboldt 1989: 237).

The text "On Internal and External Organization of Higher Scientific Establishments in Berlin" is much more substantial and we are going to focus more on this official memorandum here. At the university (and we shall stick to this word rather than to "higher scientific establishment", following both Humboldt's original intent expressed in the text briefly discussed in the preceding paragraph and the actual point of departure for the whole process: the University of Berlin) "everything that is occurring in the *spiritual culture of a nation* comes together" (Humboldt 1979: 321, emphasis mine). Universities are destined to "develop science and scholarship in the deepest and widest sense of the terms and transmit it not as an intention but as material intentionally prepared for internal and

moral education" (Humboldt 1979: 321). Science is a never-fully-solved problem and therefore it is still in progress; consequently, one can think of the notion of research as suggested by Humboldt as a never-ending story. As Humboldt formulates the point,

> In the internal organization of higher scientific establishments, everything is based on the principle that science should be treated as something not discovered and something that *can never be fully discovered* and as such science should be permanently sought (Humboldt 1979: 323, emphasis mine).

Following the emergence of research as a core activity, Humboldt suggests a new relationship between the professor and the student (still retained in Jaspers' idea of the university a century and a half later): "the relationship between the teacher and the student becomes something different than before. The former is not destined for the latter but both exist for science" (Humboldt 1979: 322). The fundamental principle of the new university becomes "knowledge for its own sake": "when the principle of knowledge for its own sake becomes dominant, there will be no need to worry about anything else" (Humboldt 1979: 324). What the higher education establishment in Berlin was supposed to provide was the "moral education of the nation" and its "spiritual and moral formation" (Humboldt 1979: 321). Its guiding principles – recalled by the title of Helmuth Schelsky's book – are solitude and freedom (*Einsamkeit* and *Freiheit*). The role of the state is, first, to make higher education institutions function smoothly and, second, make sure that they do not cease operation, keeping a clear and constant division of labor between them and high schools and keeping in mind that the state "rather disturbs when it intrudes" in the functioning of higher education institutions (Humboldt 1979: 322). The main role of the state, apart from providing funding, is to make the right selection of men for university posts and to give them full freedom to act. Consequently, as he formulated the overriding principle in founding the university in Berlin, "the crux of the matter is the selection of men to be placed in activity" (Humboldt 1979: 324). Humboldt does not seem to be concerned with the details of the functioning of the university. He links the university to the state; as Fallon observes, there is little

evidence that Humboldt ever seriously questioned that the state had a "natural responsibility to provide education for the people on all levels, including a sound university. Humboldt's position on this matter was essentially that of the leading intellects of classical Greece, such as Plato" (Fallon 1980: 21–22). His idealistic conception is to support the state in the following manner:

> Everything depends upon holding to the principle of considering knowledge a something not yet found, never completely to be discovered, and searching relentlessly for it as such. As soon as one ceases actually to seek knowledge or imagines that it does not have to be pulled from the depths of the intellect, but rather can be arranged in some exhaustive array through meticulous collection, then everything is irretrievably and forever lost. It is lost for knowledge, which disappears when this is continued for very long so that even language is left standing like an empty casing; and it is lost for the state. This is because knowledge alone, which comes from and can be planted in the depths of the spirit, also transforms character; and for the state, just as for humanity, facts and discourse matter less than character and behaviour (Humboldt quoted in Fallon 1980: 25; Humboldt 1979: 323).

So while the university was to humanize the state, the state had an obligation to control the nature of the university (and in this respect Humboldt appears as a "wise paternalist" (Fallon 1980: 25).[27] He states that "the naming of university professors must be held exclusively as the prerogative of the state. … [T]*he nature of the university is too closely tied to the vital interests of the state*" (Humboldt

[27] The assumed link between knowledge-acquisition and moral refinement, or between knowledge and *Bildung*, was strong in the idea of the modern university. As Zygmunt Bauman states, "science – so it was believed – was a most potent *humanizing* factor; so was aesthetic discernment, and culture in general; culture ennobles the human person and pacifies human societies. After the scientifically-assisted horrors of the twentieth century this faith seems laughably, perhaps even criminally, naïve. Rather than entrusting ourselves gratefully to the care of knowledge-carriers, we are inclined to watch their hands with suspicion and fear. The new apprehension found its spectacular expression in Michel Foucault's exceedingly popular hypothesis of the intimate link between the development of scientific discourse and the tightening of all-penetrating surveillance and control; rather than bring praised for promoting enlightenment, techno-science was charged with responsibility for the new, refined version of constraint and dependency" (Bauman 1997a: 50).

quoted in Fallon 1980: 25; Humboldt 1979: 328, emphasis mine). As Frederick Gregory comments on the relationships between the university and the state, "according to Humboldt the duty of the state was to be restricted mainly to providing money and to ensuring freedom to professors in their work" (Gregory 1989: 30)

David Sorkin in his ground-breaking paper about Humboldt and the theory and practice of *Bildung* highlights the political dimension of the plans to establish the University of Berlin:

> With the Prussian state at the mercy of Napoleon, *new weapons had to be forged to continue the struggle*. Humboldt advocated a decisive commitment to science and learning which would win back for Prussia some of her lost prestige at home and abroad. While the university would thus serve a political goal, Humboldt endeavored to guarantee its freedom from state interference by arguing that state interference was necessarily deleterious (Sorkin 1983: 65).

Humboldt's variant of the conception of self-formation (*Bildung*) developed in 1809–1810 has been considered the doctrine that "legitimized the alliance of the intelligentsia and the state through the university" (Sorkin 1983: 56).[28] In *Limits of State Action* (1791–92), Humboldt formulated the first condition for *Bildung*: the freedom of the individual. But, according to Sorkin's analysis, he had not been able until 1809–1810 to find a way to satisfy the second condition for self-formation: the social bonds enabling the free interchange of individuals: "In 1809–1810, Humboldt found the means to satisfy the second condition of *Bildung*. He endeavored to establish the educational system itself, with the University of Berlin at its pinnacle, as the institutional setting in which the free exchange of varied personalities can occur. This resolution depended upon Humboldt's new conception of the nation" (Sorkin 1983: 61). The resolution of the theoretical problem lay in a single practical move: "his reform of the Prussian educational system aspired to return control of education to the nation" (Sorkin 1983: 61). The theoretical problem posed in *Limits*

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[28] For a different reading of *Bildung*, depriving it of its civic (not to mention, national) dimension, see Andrew Valls' paper on "Self-Development and the Liberal State: The Cases of John Stuart Mill and Wilhelm von Humboldt" (Valls 1999).

of State Acton was solved when Humboldt brought together the discovery of the nation and the reform of educational institutions.

The whole concept of *Bildung* had been evolving in the decades preceding the founding of the University of Berlin: since Goethe's *Wilhelm Meister*, and Schiller's *On the Aesthetic Education of Man* where the notion was aestheticized from the revival of Hellenic culture onwards. *Bildung*, emerging with neo-humanism, became "Protestant Germany's secular and social ideal" (Sorkin 1983: 69). It evolved in philosophers, reaching its patriotic and political extreme in Fichte's famous *Addresses to the German Nation* of 1808. As Wittrock observes, *Bildung*

> [R]eflected broad efforts to come to terms with a period of fundamental change. The University of Berlin was the *institutionalised form of Bildung*, and together they represented an attempt to recreate and reinvigorate national culture after the traumas of military defeat and political disruption. *Bildung* therefore was … a re-created national culture in a reformed polity (Wittrock 1993: 317).

The tensions between the individual and the state were clear in all the writings about the university of the period. Education was increasingly seen as a middle ground between the two and consequently the very notion of *Bildung* became transformed to varying degrees in different thinkers.[29] The university of Berlin became *a model for the renewal of the state by the power of thinking* (Röhrs 1995: 18). Although Humboldt opposed the strong movement for national political education (whose patron was Fichte) and rejected it

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[29] As Jean-François Lyotard argued in *The Postmodern Condition* about the emergent new relationships between the suppliers and users of knowledge and knowledge itself: "the old principle that the acquisition of knowledge is indissociable from the training (*Bildung*) of minds, or even of individuals, is becoming obsolete and will become ever more so. The relationship of the suppliers and users of knowledge to the knowledge they supply and use is now tending, and will increasingly tend, to assume the form already taken by *the relationship of commodity producers and consumers to the commodities they produce and consume* – that is, the form of value. *Knowledge is and will be produced in order to be sold*; it is and will be consumed in order to be valorized in a new production: in both cases, the goal is exchange. Knowledge ceases to be an end in itself, it loses its 'use-value'" (Lyotard 1984: 4–5, emphases mine).

in his conception of the university, his opposition to Fichte led him to suppress the civic conception of *Bildung* (see Sorkin 1983: 70ff.). So it is a paradox of history that out of two fundamentally opposed notions of self-cultivation, Humboldt's and Fichte's, even though Humboldt had already applied his own notion to the idea of the university by the 1820s, "*Bildung* … became the first servant of the Prussian state" and Humboldt's educational reform in the end became the basis for what Sorkin called "the capitulation of the intelligentsia to the state".

Sheldon Rothblatt and Björn Wittrock are therefore certainly right when they describe the current apolitical undertones of the Humboldtian tradition: "We can, nevertheless, fully appreciate how an educational philosophy and theory of self-fulfillment *could in time lead away from politics and the responsibilities of active citizenship* to *become a 'Humboldtian tradition' of intellectual freedom embodied in research*, especially when research was of direct and practical interest to the State" (Rothblatt and Wittrock 1993: 12). The university, over the course of time, ended up totally bereft of any social transformative force and lost all the emancipatory power maintained for it in the German writings of the period. The relations between the new university and the state are clear in Humboldt's memorandum: as Daniel Fallon comments on the issue, "Although a liberal on record as a critic of the authoritarian state, Humboldt wedded the University of Berlin in close and unbreakable union to the State of Prussia" (Fallon 1980: 19). This relationship seems to have been paradigmatic for the period marking a historical contract binding the state and the university in the modern age.[30]

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[30] The influence of Humboldt's ideas on the traditional relations between the state and the university has been tremendous. A recent example can be provided by the general attitude of the state and the public towards the private sector in higher education in German-speaking countries. As Daniel Fallon comments on this, "to the present day there have never been any private universities in Germany and the presence of successful private universities elsewhere in the world, particularly in the United States, has often raised the question of their complete absence in Germany. The fact that Humboldt … gave the notion no serious thought is of more than passing interest". And he goes on to say that Humboldt's lack of sympathy for a private

2.3. The Rebirth of the German Nation Through Education (Johann Gottlieb Fichte)

I would like to focus now briefly on two works by Johann Gottlieb Fichte: his lectures on "The Vocation of the Scholar" (translated into English as *The Purpose of Higher Education*) and his *Addresses to the German Nation*. Fichte advocated a much more radical organization of the university, compared to Friedrich Schleiermacher in his *Occasional Thoughts on Universities in the German Sense*. Fichte's lectures on the vocation of the scholar were given at the University of Jena in 1794 and his *Addresses to the German Nation* were delivered at the Academy of Sciences building in Berlin, before crowded audiences, during the winter of 1807–1808. He elaborated a detailed plan for the proposed university in Berlin and was appointed its professor and then Rector. In Fichte, the political and social role of the university, and that of scholars, was one of the highest among German advocates of university reforms. The vocation of a scholar, clearly a hero of a Hegelian type, is "the supervision of the real progress of humanity in general, and the constant support of this progress" (Fichte 1988: 54). "The scholar is to supervise the progress of all professions, to further them: could that be done without progressing oneself?". The scholar is "the *teacher* of humanity" and "the *educator* of humanity" (Fichte 1988: 56, 58, 58). Following a long line of thinking in philosophy in which the philosopher himself or herself gives the example (*exemplum*, beginning with Socrates and later on extending through Kant, Nietzsche and Foucault[31]), Fichte states that

university stemmed most likely from "his basic conception of the state as a natural part of society, a conception probably little different from that of most of his colleagues" (Fallon 1980: 22, 24). In more general terms, the role of private higher education in Europe is totally neglected in current debates on, and documents related to, the process of the integration of higher education in Europe – which is discussed briefly in Chapter 6 and separately in Kwiek 2005e and 2006. The difference between the major higher education systems of Continental Europe (with Germany and France in the lead), and several Central European systems (especially Poland, Romania and Estonia) with large and still increasing enrollments in private institutions, is important.

[31] See my paper on "Kant, Nietzsche, Foucault. On Giving an Example in Philosophy" in Kwiek 1998c. On Nietzsche and education, see Allen and Axiotis 1998.

> The ultimate purpose of every human being, as well as of society as a whole, and thus of all the work that scholars do on behalf of society, is the moral ennoblement of the entire human being. It is the duty of the scholar to always keep this ultimate purpose in mind, and to aim at this goal, no matter what he or she does for society. Nobody, however, can successfully work toward moral improvement without being a good person himself or herself. *We teach not only through words, we also teach, much more intensively, through our example* (Fichte 1988: 59, emphasis mine).

Consequently, the scholar must be morally "the most outstanding human being of his or her time" and must represent "the highest possible education of the then current age" (Fichte 1988: 60). Fichte's understanding of his own role in history follows the same lines when he states about himself that

> my labors, too, will influence the course of future generations, the world history of nations that is to come. I am called upon to give testimony of the truth. … I am a Priest of Truth; I am at her service. I have committed myself to act on her behalf, to take risks for her, and to suffer (Fichte 1988: 60).

Fichte's *Addresses to the German Nation* were a clear appeal for a spiritual regeneration of the German people through education following the defeat at Jena in 1806 (especially through the methods of the Swiss educator and reformer, J. Heinrich Pestalozzi, see Soëtard 1994). Trying to reconcile the primacy of the moral individual with the primacy of the state, Fichte constructed "a platonic educational structure that transformed *Bildung* into mere pedagogy with a pre-determined patriotic content", as David Sorkin claims. Fichte's ideas, Sorkin goes on to argue, were not those of an isolated individual: "he represented the theoretical tip of an iceberg, a middle-class movement for national education" (Sorkin 1983: 70). Napoleon's defeat of Prussia gave the movement a unified purpose: the defeat of the French (Fichte wanted education to "wipe from our memory the shame that has been done to the German name before our eyes", Fichte 1979a: 194). Consequently, national education became political and patriotic education. *Bildung*[32] itself was subordinated to patriotism and

[32] In David Sorkin's words, "*Bildung* was created by philosophers and belletrists who aestheticised religious and philosophical notions under the aegis of the Hellenic

political training: "*Bildung* in Fichte's hands was a political instrument with a determinate content and preordained goal" (Sorkin 1983: 71). His views need to be discussed as standing in opposition to those of Humboldt who rejected the movement for national political education (especially through the prism of Greek history in his 1807 essay on the "Decline and Fall of the Greek Free States"). As a result of his opposition to the Fichtean movement for national education, Humboldt, as already mentioned, suppressed the civic conception of *Bildung* to avoid similarities with the *Bildung* of national political education.[33] As Hermann Röhrs argues, against the background of the French revolution, two antithetical strands of thought need to be remembered here: the philosophy of the Enlightenment against German idealism and the neo-humanist philosophy of education. The

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revival. It emerged with neo-humanism in the 1790s and became Protestant Germany's secular social ideal" (Sorkin 1983: 66). Lenore O'Boyle argues regarding academics that "deep involvement in classical studies and the preoccupation with *Bildung* reinforced the assumption that the learned formed a kind of aristocracy of intellect. Men of the ancient world were accepted as the embodiment of the classical ideal. They had developed all the capacities natural to man. … This hope of a satisfying human fulfillment answered a deep need of German society, where the pressures of provincial *bürgerlich* existence were acutely felt" (O'Boyle 1983: 9).

[33] It is important to remember that Fichte's views on the question of state intervention in education evolved dramatically from earlier works such as "The Vocation of the Scholar" (1790s) through *Reden an die deutsche Nation* (1807/8) to their final form in his political theory of *Die Staatslehre* (1813). This evolution, in the most general terms, went from wishing the state to keep away from education as much as possible, confining the state's action in education to the narrowest limits, to a resolution of the problem of creating the perfect state by educating perfect men through national and state education. As George H. Turnbull argued long ago in "The Changes in Fichte's Attitude Toward State Intervention in Education", "this education, if given to the citizens, will make a nation; for it produces the stable and certain spirit which is the only possible foundation of a well-organized state – the spirit which includes that love of fatherland from which spring of themselves the courageous defender of his country and the peaceful and honest citizen. The community in which this education takes place, being self-supporting and independent, will make the pupil realize that he is indebted to it absolutely…" (Turnbull 1925: 238). Turnbull stresses that it is doubtful whether the views of *any other* thinker on the question of the relations between the state and education have gone through such a profound change.

discussions about higher education were on how to provide university studies with a basis detached from the narrowly vocational and utilitarian arguments of the Enlightenment:

> To speak generally: the fascination of the classical idea of the university lies in the fact that in spite of its striving for intellectual concentration and profundity it is so close to real life that it combines professional and civic elements with a striving for (self-)education and religious certainty. The formation of the state and the personality, together with civic responsibility, are not in conflict, but rather in a relationship in which they expand and complement each other. To this extent the classical idea of the university shows quite modern features of significance for the future. The "further creation of the world" is for Fichte the task of scholarship within the university (Röhrs 1995: 17).

Fichte describes the unique historical circumstances in which *Addresses* were delivered in an elevated, emotional way: "it is the general aim of these addresses to bring courage and hope to the suffering, to proclaim joy in the midst of deep sorrow, to lead us gently and softly through the hour of deep affliction. This age is to me as a shadow that stands weeping over its own corpse, from which it has been driven forth by a host of diseases, unable to tear its gaze from the form so beloved of old, and trying in despair every means to enter again the home of pestilence" (Fichte 1979a: 17–18). Clearly referring to the political situation, he says briefly: "the present is no longer ours. … [T]he hope of a better future is the only atmosphere in which we can still breathe" (Fichte 1979a: 193–194). Also "the dawn of the new world is already past its breaking" (Fichte 1979a: 18). This is no different from what F.W.J. Schelling says in his *Vorlesungen über die Methode des akademischen Studiums* of 1803 (translated into English as *On University Studies*):

> An epoch such as our own is surely bound to give birth to a new world. Those who do not actively contribute to its emergence will inevitably be forgotten. The noble task of shaping the future devolves upon the fresh, unspoiled energies of youth (Schelling 1966: 7–8).

The rhetoric of newness, uniqueness, and the feeling of a new world approaching, is very powerful in Fichte's work (and it was no accident that in 1933 in his *Rektoratsrede* Martin Heidegger referred

clearly to the Fichte from *Addresses*[34], see Sluga 1993). The role Fichte ascribes to education, and as we shall see in a moment, especially to higher education, is enormous; if German states are not to be completely destroyed from the surface of the world, another "place of refuge" must be found – and this is exactly the role of education. Not surprisingly, education turns out to be "the only possible means of saving German independence" and "education alone can save us from the barbarism and relapse into savagery that is otherwise bound to overwhelm us" (Fichte 1979a: 154, 195). As Hans Kohn remarked over fifty years ago, "of all the German intellectual spokesmen for nationalism in the Napoleonic age none was more eager to lead and mould his people and the world according to his will than Johann Gottlieb Fichte" (Kohn 1949: 319). Fichte did not view Napoleon in the way Hegel or Goethe did, as the embodiment of reason ("reason on horseback", as Hegel vividly described him in his *Phenomenology of Spirit*). Prussia's defeat meant the destruction of true *Kultur*, of the spiritual mission of mankind.[35]

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[34] Thinking of Fichte and Heidegger: it was Hans Sluga in his excellent book about Martin Heidegger's involvement in Nazi politics in 1933 (*Heidegger's Crisis. Philosophy and Politics in Nazi Germany*, 1993) who asked why Heidegger turned to Fichte in his *Rektoratsrede* when he was assuming the post of the rector of the University of Freiburg and gave the following answer: "Fichte saw himself as living at a moment of historical decision, at a unique turning point in human history". The Nazis "focused on Fichte, Nietzsche … who shared their sense that the times had gone astray and that a radical reordering was imminent". In the winter of 1807 Fichte delivered his *Addresses to the German Nation* under political conditions that the Nazis could consider like their own (Sluga 1993: 30–31). Parallels were seen between Fichte, the defeat of Prussia by Napoleon and the lost battle of Jena; and the Nazis, the defeat in the First World War and the shame of the Treaty of Versailles. The model for Heidegger's *Rektoratsrede* were Fichte's *Addresses*. As Sluga argues, "Heidegger's use of the themes of crisis, nation, leadership, and order derived, in fact, directly from Fichte's *Addresses*. It was Fichte who put this fourfold thematic together and made it its own bridge for crossing from philosophical speculation to political engagement. … My point is … that Fichte was the first philosopher for whom these four conjoined notions had both a philosophical and a political meaning, and that he could bequeath it to later German philosophers" (Sluga 1993: 32). In one of my books I have devoted a whole chapter to Heidegger and the German university in the context of French and American discussions (known as *l'affaire Heidegger*) (Kwiek 1998a: 172–233).

[35] The origins of the German university are related to historical events and to *discursive* changes: the University of Berlin was born out of the discourses of German philosophy and

In *Addresses*, Fichte was passionate, emotional and quite unlike the rational disciple of Kant:

> Under the stress of the times and of his own emotions, the rational philosopher, the disciple of Kant, rejected the power of reasoned argument; the intellectual challenged the dignity of words and speech; the power of individual sentiment seemed to him a sufficient foundation for truth (Kohn 1949: 333).

He had no clear vision about the political future of Germany though. All he knew with certainty, and believed in passionately, was that only a German national education system could bring power back to the German nation. Education was supposed to provide a solution but only long-term though; in the short-term his recommendation for Germany was to be united and independent from alien influences. As Fichte stated about the German nation in his eighth address, "it must here be obvious at once that only the German – the original man, who has not become dead in an arbitrary organization – really is a person and is entitled to count as one, and that he alone is capable of real and rational love for his nation" (Fichte 1979a: 130). Why the Germans only? The Germans owed this position to the fact that they could understand Fichte's philosophy. Only the acceptance of true philosophy – i.e. of Fichte's philosophy – could save the nation, if not the European continent, from the flood of barbarity. Germans as people owe their identity to the uniqueness of the German language; and it is the uniqueness of the German language that Fichte invokes to prove the uniqueness of the people who speak it, which, as one commentator put it, is a "strangely sublime tautology" (Martyn 1997: 311).

In his *Addresses*, written in an antiquarian, Lutheran style (on their style, see again Martyn 1997), he proposes a "total change of the existing system of education" which would be "the sole means of preserving the existence of the German nation" (Fichte 1979a: 13). The existing system in Fichte's view was "blind and impotent", the old system was at best able "to train some part of man", while the new

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may be treated as a discursive event, as Adam Schnitzer argues in his "A History of Translation: Schleiermacher, Plato, and the University of Berlin" (2000: 66ff).

system of education "must train man himself" (Fichte 1979a: 14–15). What is at stake is not "popular" education, but "real German national" education – as well as "the moulding of the race by means of the new education" (Fichte 1979a: 15, 24); what he means is "the fundamental reconstruction of the nation" through new education and "the salvation of the German nation", as well as a "complete regeneration of the human race" (Fichte 1979a: 17, 156). The remedy for the "preservation" of the German nation is "an absolutely new system of German national education, such as has never existed in any other nation" (Fichte 1979a: 19). The mistake of the old system of education is its reliance upon the free will of the pupil; the new system, by contrast, must completely destroy "freedom of will in the soil which it undertakes to cultivate". Consequently, it is Fichte's firm view that all education aims at producing a "stable, settled and steadfast character, which no longer is developing, but is, and cannot be other than it is" (Fichte 1979a: 20). Education for manhood (but also for nationhood) is a "reliable and deliberate art" (Fichte 1979a: 22). The background ideas are put straightforwardly:

> If you want to influence him [the pupil] at all, you must do more than merely talk to him; you must fashion him, and fashion him in such a way that he simply cannot will otherwise than you wish him to will. ... The new education must produce this stable and unhesitating will according to a sure and infallible rule. It must itself inevitably create the necessity at which it aims (Fichte 1979a: 21).

The present problem, to sum up, is simply to "preserve the existence and continuance of what is German" (Fichte 1979a: 152). But who ought to carry out the plans presented by Fichte? Fichte's answer is unmistakable: "it is the State … to which we shall first of all have to turn our expectant gaze" (Fichte 1979a: 187). The costs of national education are high but proper education will, with the passage of time, make other expenses unnecessary: there will be no need for an army, a reduced need for prisons and no longer any need for reformatories (which will "vanish entirely", Fichte 1979a: 191). Education alone "can save us from all the ills that oppress us", Fichte claims (Fichte 1979a: 193). He believes strongly in the emancipatory power of philosophy, especially his own philosophy, and the power

of national education. He presented his *practical* ideas about the future university in his "Deducirter Plan einer zu Berlin zu errichtenden höheren Lehranstalt", written in 1807 (see Fichte 1979b). Humboldt's task was to make a choice between the radical proposal of a new organization for higher learning proposed by Fichte and Schleiermacher's more traditional project for a university's organization presented in *Occasional Thoughts on Universities in the German Sense*. Humboldt's choice clearly favored Schleiermacher over Fichte, even though it was Fichte who became the first rector of the University of Berlin.

2.4. The State, the University, and Academic Freedom (Friedrich Schleiermacher)

The committee drafting the provisional statutes for the University of Berlin had already asked Schleiermacher in 1808 to prepare the final drafts of these statutes and he used his earlier essay *Occasional Thoughts on Universities in the German Sense* for this purpose. The final permanent statutes were only approved in 1817. As Daniel Fallon observed in 1980, Schleiermacher's model university structure became the "basic organizational pattern for all German universities up to the present time. This form of administrative organization … leaves a substantial controlling share of academic administration exclusively to the state through its Ministry of Culture" (Fallon 1980: 36). Schleiermacher held strong views about science and scholarship as a communal effort; based on his philosophical assumptions, about the role of communication in attaining knowledge, and about the role of the state in education and the relationships between the state and the university. He claimed that science "must be a communal effort (*ein gemeinschaftliches Werk*) to which each contributes a share, so that for its purpose each is dependent on all the rest and can by oneself possess only an isolated fragment and that very incompletely" (Schleiermacher 1991: 2). As far as the fundamental notion of "communication" is concerned, he stressed that communication is the primary law governing every effort to attain knowledge, and "nature

itself has quite clearly enunciated this law in the impossibility of scientifically producing anything exclusively without language" (Schleiermacher 1991: 3). Finally, as far as the state is concerned, he saw its close links to the university:

> Yet the more extensive such institutions become the more they require means, organs of various kinds, the entitlement of those involved to associate even as such with others in a solid legal fashion. *These goals can be attained only through the state*, to which is thus issued the charge of recognizing, suffering and protecting as a moral person, as we are wont to say, those who have joined with others for the sake of science. … Still, if the evidence were not so obvious, anyone might have doubts about whether, in viewing the precise connection of all scientific endeavors in a given cultural period, those that have arisen within a certain state would really wish voluntarily to divorce themselves from the rest and attach themselves so tightly to the state, which is actually alien to them. To be sure, there is also *no lack of striking opposition on the part of the scientific association against such a tight connection to the state* (Schleiermacher 1991: 4, emphasis mine).

Schleiermacher provides one of the clearest pictures of the mutual dependence of the state and the university. The state needs information that is provided by the sciences. The state presupposes that all this information must be "grounded in science" and that only through science can it be reached. Therefore the state "takes on institutions which it would have had to establish if they were not already to be found; … However, the state works only for itself, historically it is chiefly self-seeking through and through; thus it tends not to offer support to science except on its own terms, within its own boundaries" (Schleiermacher 1991: 6). To describe the nature of the relationships between the state and the university, he refers to the Platonic tradition of philosophers-kings from *Republic* (Schleiermacher was the translator of the entire corpus of Plato into German):

> The state customarily has quite a different view from that of scholars regarding the way scientific institutions must be ordered and led, since scholars enter into closer association for the sake of science itself. Certainly the two aspects would be in accord if the state truly wanted to give currency, in the full sense, to the demands of a wise old head: if not to the first demand that those who know shall govern, then to the second that those who govern shall know (Schleiermacher 1991: 8).

The state seems to prefer "real" information rather than (philosophical) speculation ("scientific activities that preponderantly relate to the unity and common form of knowing"). Consequently, members of the scientific community will always strive to work towards independence from the state by trying to remove their association from the coercion and direction of the state and to enhance their own influence upon the state. "Wherever possible they infuse within the state a more worthy and scientific mode of thinking. Where this is not possible they at least seek increasingly to obtain trust and respect" (Schleiermacher 1991: 8). Schleiermacher describes how the university as an institution comes between the other two: the school and the academy. Schools are occupied with "information"; academies, in contrast, presuppose that their members already possess all the qualities necessary in cultivating science. The university's role is to provide "the idea of knowledge, the highest consciousness of reason" (Schleiermacher 1991: 17). The idea is shared among academics in academies but it does not emerge out of nothing: it is the essence of the university to breed the scientific (philosophical) spirit in young people:

> Herein lies the essence of the university. This breeding and education is its charge, whereby it forms a transition between the time when the young are first influenced for science through a grounding in basic information, through authentic learning, and the time when adults in the mature power and abundance of scientific life inquire on their own so as to expand or improve the domain of knowledge (Schleiermacher 1991: 16).

Thus the "business of the university" according to Schleiermacher is the following:

> To awaken the idea of science in the more noble youths, who are already supplied with many kinds of information, to aid the idea's holding sway over them in the area of knowledge to which each chooses to be especially devoted, so that it will become second nature for them to contemplate everything from the viewpoint of science, to perceive nothing for itself alone but only in terms of the scientific connections most relevant to it, and in a broad, cohesive manner bringing it into continual relation to the unity and totality of knowledge, so that they learn to become conscious of the basic laws of science in every thought process and precisely in this way gradually

> develop in themselves the capacity to investigate, to contrive and to give account (Schleiermacher 1991: 16).

The university is not to assemble more information, or assemble it on a higher level. What is to be presented at the university is the "totality of knowledge" (Schleiermacher 1991: 17). In academies, philosophy (or "speculation"), concerned with the "unity and interconnectedness of all knowledge" and with "the very nature of coming to know", lies in the background. It is not possible, in Schleiermacher's view, to cultivate any branch of science without a philosophical[36] (or "speculative") spirit:

> the two cohere in such a way that an individual who has not cultivated a definite philosophical mode of thinking will likewise not produce scientifically and originally anything that is either noteworthy or sound. … Accordingly, the reason philosophy is put way in the background within the academies is that if the sciences are, in academic fashion, to be furthered as a common effort, then *everything of a purely philosophical nature must already have been settled so that almost nothing is left to be said on the subject* (Schleiermacher 1991: 18, emphasis mine).

So academies would not be capable of existing without universities concerned with resolving fundamental, philosophical issues first.

Philosophical instruction, as in the other German projects of the time discussed in the present chapter, is the basis of all that is to be carried on at the university. But transcendental philosophy is not enough: "real" knowledge is needed, and therefore both more advanced information and other information that was not included in the school curricula is provided at the university. As a result, the university is both a "post-school" and a "pre-academia". But as in other German founding fathers of the university, "the scientific spirit is awakened by philosophical instruction" (Schleiermacher 1991: 19). For the purposes of awakening the scientific spirit in young people formal speculation alone will not suffice but must be embedded in

[36] As Lyotard describes the structure of the Humboldtian university and the resulting ban on interdisciplinarity: "each science has its own place in a system crowned by speculation. Any encroachment of one science into another's field can only create confusion, 'noise' in the system. Collaboration can only take place on the level of speculation, in the heads of the philosophers" (Lyotard 1984: 52).

"'real' knowing". The university "has to embrace all knowing" and "must express its natural internal relation to knowing as a whole" (Schleiermacher 1991: 24). Not surprisingly at the university everything begins with philosophy, but mathematics, geography, natural philosophy and natural history are crucial too (Schleiermacher 1991: 28).

Schleiermacher claims that the traditional division of the university into four faculties – the theological, legal, medical, and philosophical – gives universities a "grotesque" appearance. The "authentic university" is contained "solely in the philosophical faculty". The three others are specialized schools which the state has either founded or placed under its protection (Schleiermacher 1991: 34). The three "positive" faculties have been passing on information. The theological faculty has been formed for the church; medical schools have been necessary to take care of the human body, and the legal faculty was formed to assist in building up the state. The faculty of philosophy instead

> [R]epresents what the scientific union by itself would have established as a university. The other three, in contrast, represent what has arisen on account of a distinctly different kind of need, in face of which the purely scientific direction has an external and subordinate status. The order that they observe among themselves clearly indicates the dominating relation of the state even in public scientific institutions. More accurately viewed, moreover, it displays in part the historical precedence of the church before the state, in part the ancient and laudable habit of putting the soul before the body (Schleiermacher 1991: 35).

But it was not scholars who established the university; anything is possible but only in the future: "if a university ever arises through a free uniting of scholars, then what is now conjoined in the philosophical faculty will naturally find the first place, and the institutes that state and church will wish to join to the philosophical faculty will take places subordinate to it. So long as this does not occur, it would be best for this faculty to separate from the others in that it sits in last place" (Schleiermacher 1991: 36). But no matter what the formal place of the philosophical faculty is, it is still actually the first: "the first, and in fact the head of all the others because all

members of the university must be rooted in it, no matter to which faculty they belong" (Schleiermacher 1991: 36). At the outset, all students should be students of philosophy – and they should not be permitted to study anything else in the first year of their academic studies. Similarly, all academics should be rooted in the philosophical faculty.

Now let us refer briefly to a few practical points relating to the functioning of the university; in current vocabulary, these would be interdisciplinarity, tuition fees, student stipends, academic appointments, and accountability. Schleiermacher praises interdisciplinarity when he considers the question why an academic should not be allowed "to enter the territory of another faculty once in a while". His answer to the question in practical terms is that once one has been allowed to teach, "one must be allowed to exercise the talent in whatever area one chooses" (Schleiermacher 1991: 38). Fees, in the historical version of the time as student lecture fees, are most welcome and natural: "certainly the circumstance of having one's instruction paid for has never damaged the respect in which a teacher is held by the students .... Nor can it have seemed degrading to the teacher, since it also diminishes the feeling of one's dependence on the state" (Schleiermacher 1991: 40). As far as stipends are concerned, the state should never distribute "benefits and inducements" but only "rewards and recognitions of distinction". This is the only way to avoid humiliations and discriminations (Schleiermacher 1991: 42). As far as staffing policies are concerned, Schleiermacher is not willing to grant the right to appoint university professors to universities and presents a very vivid – and severe – picture of the profession:

> Probably no one wants to let it [the university] make every selection by itself. As a group, the universities are so notorious for a spirit of petty intrigue that with such an arrangement no doubt anyone will fear the most harmful effects of party strife, of aroused passions in literary feuds and of personal favoritism (Schleiermacher 1991: 45).

As far as the faculty of philosophy is concerned, its description is not any better: "the universities are themselves constantly the battle-

ground where the strife among the systems is carried on most vociferously and at times to the point of annihilation, so that if the decisions were left up to them the most vehement agitations would have to be feared" (Schleiermacher 1991: 45). The modern notion of accountability is questioned in Schleiermacher's essay when he states that the state may demand an accounting of "property and benefits" and require that these be managed by experts recognized by the state but "everything else is guardianship". The more mature science gets, the less guardianship will be necessary.

The notion of "academic freedom" is as strong in Schleiermacher as in other thinkers discussed here. The complementary figures of *Lehrfreiheit* and *Lernfreiheit*, freedom to teach and freedom to learn, can be traced in all of them, providing the basis for the modern idea of the university. These concepts were clearly stated for the first time at the time of the founding of the University of Halle in 1694. Humboldt's contribution was to make clear that the protection of the university was essential, even if viewed in terms of the interests of the state (Fallon 1980: 29). As Herman Röhrs analyzes the concept of "academic freedom" in the context of other underlying assumptions regarding the modern university,

> Academic freedom is not a passport to a life of privilege, free from social controls and responsibilities. The freedom from economic privation and cramping civic duties is by no means intended as a class-privilege but as a guarantee of the preconditions for a life devoted to scholarship. ... The independence of the university, academic freedom, the unity of research and teaching, together with the general education which supports them, are all expanding components of the classical idea of the university which must be combined in order to make possible that interior discipline and which make up the essence of the republic of learning in the sense intended by the idealist philosophy. If one of the components is broken off, the whole proves to be incapable of functioning. Academic freedom implies responsible citizens of Academe, capable of judgment, or at least such as develop, under the influence of the freedom of academic studies, the measure of responsible independence which must be the counterpart of freedom if a productive equilibrium is to be attained. If it is to succeed, it must have the scholar as its model; but it must not have regimentation (Röhrs 1995: 26).

The freedom to learn in Schleiermacher is far-reaching, and academic freedom with respect to students is discussed in detail. From a contemporary perspective, the differences are enormous, and the level of freedom postulated by Schleiermacher seems unattainable today. Clearly, the ideas professed by Schleiermacher belong to the period when modern paternalistic views of education were becoming prevalent. What he calls "freedom of students" means that students

> are *not subject to compulsion of any kind*; never will they be forced in any direction, and nothing is closed to them. No one orders them to attend this or that course session; *no one can reproach them if they neglect or omit to do their work*. There is no control over any of their efforts save what they themselves may give over to a teacher. They know what will be required of them when they leave the university and what kind of examinations they will then face; but with what zeal they intend to work towards this goal at any given time, and how uniformly or not they distribute it remains completely up to them. Care is taken that they do not lack in aids and resources for going ever deeper into their studies; but even though notice may be taken of how well or poorly they make use of these, at least *they are not held directly accountable to anyone*. In this way they therefore have full freedom to give way to indolence or worthless diversions, and instead of showing a commendable industry *they can irresponsibly waste the finest time of their life* (Schleiermacher 1991: 50, emphases mine).

The purpose of the university is that students should be able to *know*, not to *learn*. Memory is not to be crammed but, instead, "a whole life is to be awakened", "a higher spirit, the truly scientific spirit". No coercion is possible – an atmosphere "supportive of a complete freedom of spirit" is necessary (Schleiermacher 1991: 5). "Even the slightest sign of coercion – any conscious influence of an external authority, however gentle – is ruinous" (Schleiermacher 1991: 52). The freedom in question here concerns students' customs and habits, their way of life, the kind of clothes they wear, the language they use etc. Students "display a common spirit", and all this is the essence of academic freedom. Student excesses – called here "small discomforts" – have to be regarded by the inhabitants of academic towns as a local evil.

Originally, the tradition of *Lernfreiheit* was more important than that of *Lehrfreiheit*, and its continual importance is reinforced in

Schleiermacher's essay. It was designed to provide students with full independence: freedom to study what they wished to study, to move between classes, disciplines and universities or to stay away from them. It was freedom "to run one's affairs and live one's own life. It was a reward for graduation, from the Gymnasium or the *lycée*, into adult life", as the American commentator of both traditions of academic freedom remarks (Commager 1963). It was Schleiermacher from among the German thinkers of the time who went the furthest in giving freedom to students, and who actually favored the former tradition to the latter one, in an original manner.[37] Over the course of time, though, and especially in recent decades, academic freedom increasingly came to mean freedom to teach, so that the latter tradition became significantly more important. Both in common parlance and in higher education studies today, academic freedom refers much more, if not exclusively, to academics and their freedom to teach and to do research, than to students. This fact testifies how much the idea evolved from its German origins over a period of two centuries.[38]

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[37] What does academic freedom mean for students? Let us quote an American voice from the 1960s which seems to follow Schleiermacher's path very closely: "it means freedom from many of the tyrannies which have been carried over from the high school into the college and the university: the tyranny of attendance, of courses, of classes, of grades, of majors and minors, and of all the rest of the regulations that are entirely suitable for high school or preparatory school but have no real place in a university. Even in academic circles, where freedom is believed in and discussed a great deal, not much is done about these regulations. … [W]e get more and more requirements, more and more courses, more and more prerequisites for this, that, and the other. … As long as our graduate schools and our professional schools insist, as they commonly do, on courses, grades, and records, the colleges have very little freedom in which to experiment. Freedom for undergraduates requires freedom from the pressures to conform socially that weigh so heavily on some of them" (Commager 1963: 365).

[38] Philip G. Altbach in his recent paper on "academic freedom" stressed that it seems "a simple concept, and in essence it is, but it is also difficult to define. From medieval times, academic freedom has meant the freedom of the professor to teach without external control in his or her area of expertise, and it has implied the freedom of the student to learn. The concept was further defined with the rise of the research-oriented Humboldtian university in early 19th century Germany. The Humboldtian

2.5. Philosophy, Education, and the Historical Hero (Friedrich W.J. Schelling)

Schelling delivered his *Vorlesungen über die Methode des akademischen Studiums* (translated into English as *On University Studies*) at the University of Jena in 1802. As he states in a short "Preface", "some of the ideas expressed may eventually influence the development of our universities" (Schelling 1966: 3). The book is often described as the best available introduction to Schelling's thinking as a whole and his contemporaries saw it as a popular exposition of his philosophy (Preface to Schelling 1966: xvii). Even though Schelling was only twenty-seven when he wrote it the book, together with other works discussed here, forms the actual "charter of the university in the classical sense" (Röhrs 1995: 18) and deserves our highest attention.

As already mentioned, Schelling shared general views about the role of philosophy at the university, the relations between the state and the university and about the unity of teaching and research with Fichte, Schleiermacher and Humboldt. His sentiments about his time and his own role in contemporary Germany were closest to those of Fichte; as already mentioned, at the beginning of his book he claims in a manner close to Fichte, but also to the young Hegel from

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concept enshrined the ideas of *Lehrfreiheit* and *Lernfreiheit* – freedom to teach and to learn. These concepts of academic freedom gave special protection to the professor within the classroom and the parameters of the field of expert knowledge of the professor. From the beginning, the university was considered a special place, devoted to the pursuit and transmission of knowledge. Academe claimed special rights precisely because of its calling to pursue truth. The authorities, whether secular or ecclesiastical, were expected to permit universities a special degree of autonomy. Academic freedom was never absolute, however. … In the German university of the early 19th century, academic freedom was expanded as a concept as research became part of the academic mission. The professor was given almost absolute freedom of research and expression in classroom and laboratory. But academic freedom did not necessarily extend to protection of expression on broader political or social issues. Nor was it considered a violation of academic freedom that socialists and other dissenters were not eligible for academic appointments" (Altbach 2003: 13). Today, some countries assume the narrow Humboldtian definition of academic freedom; in others, like the USA, the broader ideal developed mainly by the AAUP (American Association of University Professors) at the beginning of the 20th century prevails.

Phenomenology of Spirit, that "an epoch such as our own is surely bound *to give birth to a new world*. Those who do not actively contribute to its emergence will inevitably be forgotten" (Schelling 1966: 7–8). As the editor of Fichte's book remarks, "the apocalyptic sentiment expressed here is characteristic of Schelling's philosophy which implies a desire to change the world, although Schelling himself scarcely ever offers any practical suggestions to achieve this metamorphosis. In his writings prophetic utterances about impending universal renewal occur constantly" (Editorial notes to Schelling 1966: 154). Why should a philosopher discuss universities rather than the philosophies taught there? Schelling provides the following rationale:

> It might seem that a philosopher should confine himself to drawing a picture of the body of scientific knowledge and formulating general methodological principles, without going into organizational matters or the temporal forms of our institution. However, I hope to show that *these forms are not arbitrary, that they reflect the spirit of the modern world*, and that they make it possible for the disparate elements of modern culture to interpenetrate (Schelling 1966: 17, emphasis mine).

Schelling wonders whether it is proper to make *philosophical* demands on the universities "when everyone knows that they are instruments of the state and must be what the state intended them to be" (Schelling 1966: 22). The state is able to do whatever it wishes with the universities, Schelling claims – it can "suppress" them, or transform into "industrial training schools". But the point is that the state at the same time "cannot intend the universities to be real scientific institutions without desiring to further the life of ideas and the freest scientific development" (Schelling 1966: 23). The relationships between the universities and the state are delicate; Schelling further developed his views in the form of a digression in a note:

> The usual view of the universities is that they should produce servants of the state, perfect instruments for its purposes. But surely, such instruments should be formed by *science*. Thus, to achieve such an aim through education, science is required. But science ceases to be science the moment it is degraded to a *mere* means, rather than furthered for its own sake. It is certainly not furthered for its own sake when, for instance, ideas are rejected on the

> grounds that they are of no use in ordinary life, have no practical application, are unrelated to experience (Schelling 1966: 23).

Universities should "further culture in the universal sense", apart from serving as nurseries for knowledge (Schelling 1966: 28). They need, apart from the voluntary support of the state in its own interest, "*no further regulations than those rooted in the Idea itself.* Wisdom and prudence here agree: it is necessary only to do what the Idea of a scientific institution prescribes in order to make the constitution of a university perfect". Not surprisingly, Schelling's conclusion is that "universities can have only an *absolute purpose* – beyond that they have none" (Schelling 1966: 29, emphasis mine).

Let us make now a short digression and focus on the issue of the role of the philosopher as cultural educator in periods of great historical transformations. The social role some German thinkers at the turn of the 19th century assumed and presented as universal deserve our attention, especially in the case of Fichte, Schelling, and Hegel.[39] The way they viewed their philosophies, and their roles in changing (German and universal) history, has found much more radical imitators in the 20th century, mostly in pre-war Germany and post-war France. Consequently, bloody revolutions, freedom-depriving totalitarianisms, and the naked violence of the brave new worlds of the 20th century, have overshadowed philosophical

[39] Thinking of Fichte, let us recall what Hans Sluga claimed in his book on Martin Heidegger: "Fichte concluded that *he himself* was occupying a *pivotal place in world history*. … He convinced himself, finally, that his own philosophy could be compared in its world-historical meaning only with the four Gospels and that his own role was similar to Christ's" (Sluga 1993: 36, emphasis mine). Fichte appealed to the Nazis because of his nationalism, his elevation of Germanness to a metaphysical essence and his concern with the well-being of the whole nation. "Of even more significance to them, however – Sluga goes on to argue – was probably the fact that Fichte saw himself as living at a moment of historical decision, at a unique turning point in human history. … It was natural … that German philosophers should turn back to Fichte in their search for historical models. As they stood up to declare their allegiance to the Nazis, they found in Fichte's *Addresses* a template. This was true even of philosophers who otherwise held no particular allegiance to German idealism, who identified themselves instead with the thinkers of the later epoch of German philosophy. Heidegger was one of these" (Sluga 1993: 31).

modernity and pushed some 19th century ideas to extremes. Current questions about the role of philosophy and philosophers in history stretch from Plato with his notion of "philosophers-kings" to Martin Heidegger with his notion of *Führung*, coined during the period of his involvement with Nazism and his ideas for using the German university as the basis for a new world-historical revolution (like the post-war French leftist intellectuals). What I have in mind is the conviction often shared in the 20th century, but also traced in the German texts discussed here, that in moments of breakthrough in history, moments of historical shifts, *philosophers and philosophy* have to play some *specific and decisive role*, as if philosophers have to answer history's call. If they are not up to a particular task or do not treat the historical moment seriously, civilization would face catastrophe. Whenever the philosopher feels a higher need for action, a desire to be actively involved in changing his surrounding world, to accelerate historical events and to guide the leaders of society ("to lead the leaders", as Martin Heidegger put it in 1933), he himself risks falling into the trap of philosophy/politics. And the first moment at which, I suppose, an alarm should go off, and which in the 20th century nevertheless it often failed to do so, is the suddenly appearing conviction that one is taking part in unusual events, is living in a *critical moment*, in which the scales of history can go either way. A widespread world crisis, the absolute uniqueness of the moment, begets extreme modes of behavior;[40] clocks start to measure out a new time. After the revolution, the philosopher can argue, there will be a "brave new world" that will legitimize the present suffering. Until then, the revolutionary cause requires of him immediate decisions, as does every unique moment in human history. It requires of him "constructive" thinking and acting, it requires his engagement. Yet, such participation ought to have been refused outright. The passage

[40] I am thinking of Heidegger here, or the young Paul de Man in war-torn Belgium, but the edges of my consciousness are reinforced by Hegelian reflections on the French Jacobeans and their terror and the interpretations of e.g. Charles Taylor (in *Hegel and Modern* Society) or Joachim Ritter (in *Hegel and the French Revolution. Essays on the "Philosophy of Right"*), see Taylor 1979 and Ritter 1982. On the de Man "affair" in a French philosophical context, see Kwiek 1998a.

of time has confirmed that those intellectual exiles were right who did not believe in some sort of mission for themselves during these junctures of history (and in our context, Karl Jaspers stands in sharp opposition to Martin Heidegger, and it is the different political and existential choices that they made that provided the impetus for Jaspers' reworking of his pre-war lectures about the university into *The Idea of the University* in the post-war form discussed in this chapter).

It may be, as Michel Foucault suggests, that one needs to have great humility to acknowledge that perhaps our time is not the only one when everything begins and ends anew. Perhaps Hegel was right when he said that peaceful times are "blank pages in history". Perhaps it is natural that a faster pace of events imposes a faster pace of reflection, that revolutionary times require revolutionary thinking, during which temptation can often prove irresistible. However, such a "heroic" vision of the world and of the philosopher appeared in philosophy no earlier than Fichte, Schelling and especially, in fuller form, Hegel (and in the aftermath of the French Revolution in general). It was in *Phenomenology* that he acknowledged that history was at a turning point: "it is not difficult to see that ours is a birth-time and a period of transition to a new era." Likewise, one can find in Nietzsche's *Ecce Homo* the same belief of participating in great politics and great changes; in a great crisis and of Nietzsche's own role – individual and philosophical – to be played in it; in setting the clock to a new time. It is, I suppose, an intellectual structure common to much of German philosophical thought, where one can easily find such passages in *The Communist Manifesto* or Marx' most famous thesis on Feuerbach (according to which changing the world is better than merely interpreting it, or *Die Philosophen haben die Welt nur verschieden interpretiert; es kommt aber draufen, sie zu verandern*). Current philosophy seems to be perfectly aware of the dangers outlined above because it has learnt the lesson of extremes from the modern odyssey of culture, in which a leading role was played precisely by philosophy. Although the extreme forms of the beliefs described above did not appear in the German philosophers discussed here in the context of the classical German idea of the university, their softer

versions with respect to their own role as philosophers in history and to the role of the university in transforming both Germans and humanity as such can be clearly seen.[41] Because no social and political excesses followed, in contrast to the 20th century, the history of the 19th century ideas and institutions analyzed here "marks one of the few instances in which a philosophical anthropology formed the explicit basis of a successful program for social change", as Carla R. Thomas remarked (Thomas 1973: 219).

2.6. Conclusions

In discussing current and future missions and roles of the institution of the university, it is necessary to take a closer look at its foundational idea born in 19th century Germany. But at the same time, after almost two hundred years, it is conceivable that in many places, for a variety of internal and external reasons, what we call the "Humboldtian" tradition of the university is no longer being followed. The university is a specific, historically-rooted institution,

[41] I have discussed in detail Martin Heidegger's views on the university expressed in 1933 in his published writings – and actions taken – after the Nazis had won the elections and took power in Germany, and beyond (see Kwiek 1998a). The analysis of Heidegger's vision of the role of the university in transforming society, nation, and possibly humanity – as well as his own role in leading politicians to national renewal and national regeneration through his philosophy – goes well beyond the scope of the present book but certainly deserves our highest attention. It is no accident that Allan Bloom's major points of reference in his criticism of the American university in *The Closing of the American Mind* are Plato's Socrates and Heidegger's "Rectorial Address". We have a new Germany, Heidegger argued, and we have the university which is about to assume new tasks, but for the time being real education takes place in the *Wissenschaftslager*, the knowledge camp – because the revolution has not reached the university yet (*In Deutschland ist Revolution, und wir müssen uns fragen: ist Revolution auch auf der Universität? Nein*). But it is at the Heidegger-inspired, reformed university that the education of future state leaders of the new Germany will take place. In Heidegger, the university and its ill-famed "academic freedom", current "research" carried out and current "teaching" provided there – all this had to be transformed through a "bitter fight in the spirit of national socialism". See especially Guido Schneeberger's edition of Heidegger's works from the period, *Nachlese zu Heidegger. Dokumente zu seinem Leben und Denken* (Berne 1962).

proud of its origins and its traditions. In thinking about its future it will be constructive to reflect on the evident current *tensions* between traditional modern expectations of the university (on the part of both society and the state), and the new expectations intensified by the emergence of knowledge-based societies and economies. From the perspective of the tensions between old and new tasks, looking back at the turning point in its history could turn out to have more than a historical dimension. It might happen that we may need to look for patterns on how to radically reformulate the roles of the institution (for both internal and external reasons – the evolution of the university and the evolution of the societies and economies it is serving), and the German philosophy of the period could teach us interesting lessons. At the same time it is always possible that what we are developing here is merely an alternative scenario – and that such study belongs in the realms of foresight studies…

CHAPTER 3

The University and the Nation-State: the Impact of Global Pressures

3.1. The Nation-State and the New Global Order

Now let us leave for a moment the modern institution of the university and its traditional – already historical – relationship with the state and have a closer look at the nation-state under increasingly powerful global pressures.

The processes of globalization seem to be affecting the traditional modern institution of the state simultaneously on many levels, from regional and subnational to national and supranational (as Anthony Giddens remarked, globalization "pulls upwards", "pushes downwards", and "squeezes sideways", Giddens 1999: 13).[1] For our purposes here, in connection with discussions on the changing role of

[1] In the most general terms, in thinking about the impact of globalization on education, I support the line of Raymond A. Morrow and Carlos Alberto Torres who claim that "while taking seriously the claim that these developments do indeed represent remarkable changes in the world order and the role of nation-states, we have remained skeptical with respect to various claims and projections made in the name of globalization. *Only with time and more conclusive research* will it be possible to assess what has been happening and what are the future directions of changes" and they add that "the future has not been written and no one can ever claim a definitive understanding of the current relationships between globalization, the state, education, and social change" (Morrow and Torres 2000: 48, 53). At the same time an acceptance of the indefinite character of the future does not mean there is no point in thinking about it. One of the possible options in this context could be discussing some future scenarios of development, in the full awareness that they may never be realized.

higher education and the changing social mission of the modern university, the two crucial dimensions of the state in transition are its relation to the welfare state on one hand and its relation to the nation-state on the other. Both dimensions of the state are closely linked to higher education, especially to its elite segment, the institution of the university; which has been mostly state-funded as part of the well-developed post-war Keynesian welfare state apparatus, and which has been closely (or very closely) related to the modern construct of the nation-state. In philosophical terms, this theme has already been discussed with respect to German Idealist and Romantic thinkers in Chapter 2. But the social and political contract between the nation-state and the modern version of the university requires further analysis. The theme of the modern contract between the nation-state and the university will be developed in this chapter, while in Chapter 4 the possible impact of current reformulations of the welfare state on the institution of the university will be discussed.

In the present section we are going to discuss briefly the historical roots of the modern nation-state and its connections to higher education.[2] Let us begin with a quotation from Andy Green which excellently captures the point we want to make:

> Historically, education has been both parent and child to the developing nation state. The national education system as a universal and public institution first emerged in post-revolutionary Europe as *an instrument of state formation*. It provided a powerful vehicle for the construction and integration of the new nation-state and became one of its chief institutional supports. Since then, few nations have embarked on independent statehood without recourse to its *ideological potential*; even the older states, at least in periods of war and crisis,

[2] I have no problems with being in full agreement with Manuel Castells when he claims that "I have no particular sympathy for modern nation-states that have eagerly mobilized their people for reciprocal mass slaughter in the bloodiest century of human history – the twentieth century" (Castells 1997: 303). One of the harshest critics of modern nation-states has been Zygmunt Bauman, in *Legislators and Interpreters* (1987), *Modernity and the Holocaust* (1989) and *Life in Fragments. Essays in Postmodern Morality* (1995). In the latter, he claims: "what we learned in this century is that modernity is not only about producing more and travelling faster, getting richer and moving around more freely. *It is also about – it has been about – fast and efficient killing, scientifically designed and administered genocide*" (Bauman 1995: 193, emphasis mine).

> have continued to view education as a valuable source of national cohesion and a key tool for economic development. However, *the role of the nation-state is now changing, and with it the place of education* (Green 1997: 1, emphases mine).

Especially, let us add, the place of *higher* education, which is our concern here. It is the overall argument of the present book that current transformations to the state will not leave the university unaffected, and consequently it is heuristically useful to discuss the roles, tasks and missions of the university in the context of the current transformations of the state. To disregard this context would be a serious analytical mistake. Discussing the institution of the university in isolation from the far-reaching and substantial social and political processes affecting the institution of the state, does not seem satisfactory today.

To begin to disentangle the complicated web of such sociological (and philosophical) concepts as the nation, nation-state, and nationalism, let us turn to Anthony Giddens' magisterial *The Nation-State and Violence* (1987). By "nationalism", he means a primarily psychological phenomenon, "the affiliation of individuals to a set of symbols and beliefs emphasizing communality among the members of a political order"; by a "nation", he means a "collectivity existing within a clearly demarcated territory, which is subject to a unitary administration, reflexively monitored by the internal state apparatus and those of other states". Finally, which is crucial to our further considerations, his definition of the nation-state is as follows:

> A nation-state is … a bordered power-container … the pre-eminent power-container of the modern era (Giddens 1987: 116, 120).[3]

The nation-state, in the course of the 19th century, had become an irresistible political form on a global scale.[4] Giddens enumerates three main types of factors involved in explaining the universal scope of the

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[3] Or, in a parallel definition Giddens provides, "the nation-state, which exists in a complex of other nation-states, is a set of institutional forms of governance maintaining an administrative monopoly over a territory with demarcated boundaries (borders), its rule being sanctioned by law and direct control of the means of internal and external violence" (Giddens 1987: 121).

[4] The nation-state was "the ideal of the well-ordered, western, modern political community", as Roland Axtmann stated recently (Axtmann 2004: 259).

nation-state: the combination of industrial and political power, the expansion of the administrative power of the state and a series of contingent historical events (such as the relative peace in Europe following the treaties of 1815, the acceleration of technological innovation in weaponry, and the formal recognition of the autonomy and "boundedness" of the nation-state, made in the treaties following the First World War, Giddens 1987: 155–156). However, what is "sovereignty", and what does a "sovereign state" mean? According to a classical Giddens' formulation:

> A sovereign state is a political organization that has the capacity, within a delimited territory or territories, to make laws and effectively sanction their up-keep; exert a monopoly over the disposal of the means of violence; control basic policies relating to the internal political or administrative form of government; and dispose of the fruits of a national economy that are the basis of its revenue (Giddens 1987: 282).

We will be returning to the definitions of both the nation-state and a sovereign state in the course of the present chapter. We can provisionally affirm, though, that the social world discussed in the disciplines of sociology, the political sciences, political philosophy and political economy is less and less related to the above two definitions, and we will argue that it is globalization and its practices that make the discussions on the classical world of sovereign nation-states (as defined by e.g. Giddens) increasingly irrelevant to the current theoretical concerns of the major part of these disciplines.[5] To put it simply, the view of current states as "bordered power-containers" seems to be increasingly untenable both in theory and in practice.[6] Zygmunt Bauman, in his discussions about the

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[5] Philip G. Cerny claims in his oft-quoted paper on "Globalization and the Changing Logic of Collective Action" that the state today "is being not only eroded but also *fundamentally transferred* within a wider structural context. … This transformation has significant consequences for the logic of collective action. … [B]y reshaping the structural context of rational choice itself, globalization transforms the ways that the *basic rules of the game* work in politics and international relations…" (Cerny 1995: 596, emphases mine).

[6] As Ulrich Beck stresses, "the whole conceptual world of national sovereignty is fading away – a world that includes the taming of capitalism in Europe by the postwar welfare state" (Beck 2000b: 17).

relationships between sociology and postmodernity, made an excellent point which could certainly be applied to the relationships between sociology and a global age (the discussion of the relationships between postmodernity and a global age would certainly require further analyses[7]): the model of postmodernity

[7] Anglo-Saxon literature on the relationships between postmodernity and the global age is very scarce indeed. Anthony R. Welch has tried to combine the two themes in his excellent paper on "Globalisation, Post-modernity and the State: Comparative Education Facing the Third Millennium (2001). His general conclusion is that the supporters of both globalization and postmodern thinkers have contributed to a trend towards individualism and a retreat from democratic engagement. The common motif for the two lines of thinking in the social sciences and the humanities, in Welch's view, is the assumption of an end to collective social engagement on a national level (or as Philip G. Cerny called it with reference to globalization: "the changing logic of collective action", see Cerny 1995). As he argues, "clearly, neither the literature on globalization … nor post-modern interventions, any longer presuppose collective forms of social action and engagement at the national level. While one principally operates at the global level, the other operates at the level of the individual subject. ... Arguably, both theoretical trajectories are linked to developments in late capitalism and analyses of the crisis of the state" (Welch 2001: 485). Welch asks an interesting question about the parallelism between the "breakdown of integration caused by globalization's increasing separation of society into winners and losers" and the "socially isolating and fragmenting effects of post-modernity". In a similar vein, Andy Green refers to postmodernism as globalization's "twin" (Green 1997: 170). Welch's account of postmodern thinking goes roughly along the same lines covered by the present author in his numerous publications about Jean-François Lyotard, Michel Foucault, and Richard Rorty over the last decade. See especially my books on Lyotard and Rorty (1994), Rorty (1996), Foucault (1998c) and French postwar philosophy in general, from Georges Bataille and Jean-Paul Sartre to Gilles Deleuze, Pierre Klossowski and Michel Foucault (1998a). Some papers about the modern and postmodern idea of the intellectual were also gathered together in my recent collection of essays, *Intellectuals, Power, and Knowledge. Studies in the Philosophy of Culture and Education* (2004a). In the book on French intellectuals (1998a), the whole French post-Nietzschean line of social thinking as "textual", is opposed to the post-Hegelian line (as read by Alexandre Kojève in his influential *Introduction to the Reading of Hegel*) which was termed "communal". In this context, it is Richard Rorty's ideas of "solidarity" opposed to "self-creation" and the private/public split in one's intellectual work that is seen as most interesting. It might be interesting to consider the issue of to what extent postmodern philosophy was a (Kantian) "sign of history", referring to the wider social, economic and political processes lumped together under the rubric of "globalization".

"cannot be grounded in the realities of the nation-state, by now clearly not a framework large enough to accommodate the decisive factors in the conduct of interaction and the dynamics of social life" (Bauman 1992: 65). The container theory of society is no longer able to explain the complexities of the new world order in which intergovernmental agencies, political and economic cartels, economic unions, transnational corporations, military alliances etc play an increasingly important role and the nation-state is becoming "progressively less important" in world organization (Giddens 1987: 282). It is probably sociology that is most fundamentally related to the nation-state with its theories that have traditionally equated society with the national state. The territorial state has been the "container" of society in all major sociological theories, if not in sociology as such (see Beck 2000a).

The importance of the need to revise our theoretical thinking and to reorient ourselves conceptually and intellectually to the new "global order" has been shown by analysts of globalization from the above disciplines (as well as a few others). Ulrich Beck, developing his distinction between the first, "national" and the second, "post-national" modernity in *What Is Globalization*?, stresses the irrelevance of ways of thinking (and ways of acting) based on the premises of the former, the premises of the classical era of nation-states as conceptualized in traditional sociological studies.[8] In practical terms,

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[8] It is interesting to refer to the traditional apologia for the role of the nation (and, in a complementary and unavoidable manner, nationalisms) in apparently post-national contemporary societies; as vigorously presented by Anthony D. Smith in his *Nations and Nationalism in a Global Era* (1995). In a concluding chapter, "In Defence of the Nation", Smith argues that "the nation and nationalism provide *the only realistic socio-cultural framework for a modern world order. They have no rivals today.* National identity too remains widely attractive and effective and is felt by many people to satisfy their needs for cultural fulfillment, rootedness, security and fraternity. ... [G]lobal culture seems unable to offer the qualities of collective faith, dignity and hope that only a 'religion surrogate', with its promise of a territorial culture-community across the generations, can provide". And he goes on to claim that "over and beyond any political or economic benefits that ethnic nationalism can confer, it is this promise of collective but terrestrial immortality, outfacing death and oblivion, that has helped to sustain so many nations and national states in an era of unprecedented social

the consequences of abandoning the power-container view of society and the premises of the world organized through sovereign territorial nation-states are far-reaching. Let us quote here *in extenso* Beck's vivid description of the current relationships between national states and transnational corporations to see an example of the practical implications of the social processes in question:

> What is novel and decisive is not that these transnational corporations are growing in number and diversity, but that, in the course of globalization, they are placed in a position *to play off national states against one another*. Looked at from outside, everything has remained as it was. Companies produce, rationalize, hire and fire, pay taxes, and so on. The crucial point, however, is that they no longer do this under rules of the game defined by national states, but continue to play the old game while nullifying and redefining those rules. It thus only *appears* to be a question of the old game of labour and capital, states and unions. For while one player continues to play the game within the framework of the national state, the other is already playing within the framework of world society. … *It is as if employees, unions*

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change and to renew so many ethnic minorities that seemed to be doomed in an era of technological uniformity and corporate efficiency" (Smith 1995: 159–160, emphasis mine). Considering the (still) fundamentally uneven distribution of the benefits and the ills of globalization, and the geographical concentration of its impact in selected parts of the globe, from a global perspective (without privileging the social and economic developments of most affluent parts of the world), Smith may be right. He may be right for millions of people from the world unaffected by global pressures but may be wrong for millions of others e.g. Europeans, especially in the context of the emergent European "post-national" community. The point of view of (Zygmunt Bauman's) "globals" is certainly different from that of "locals" (see Bauman 1998), as the lifestyles and loyalties of (Leslie Sklair's) "transnational capitalist class" differ from those of nationally-rooted, immobile, traditional workers (see Sklair 2001). The lack of any national rootedness of (Robert B. Reich's) "symbolic analysts" is a serious threat to national cohesion but only in some locations... (see Reich 1992). On more European grounds, the danger lies, as Guy Neave argues, in the prospect of a Europe "whose common profile is a society divided between those who are mobile, trained to live in a world of high salaries, high productivity and equally high precariousness of employment – a new elite whose identity lies wholly in their transnational and technical prowess – and the majority whose lives are passed within the nation, victims to the whim of industrial relocation, down-sizing, and social dumping, with mediocre salaries, and precariousness as their continued and uncompensated lot". Consequently, the specter is "a Europe of 'The Two Nations'" (Neave 2001b: 68).

and government were still playing draughts, while the transnational corporations had moved on to chess (Beck 2000a: 65, emphases mine).[9]

Applying the metaphor of playing draughts versus playing chess to our educational concerns, we might say that in the philosophy of education while we, moderns, are still often discussing the diversity of German-inspired social "missions" for our universities, they, globals, are incorporating "higher education" under the rubrics of "services" to be fully liberalized under the WTO/GATS protocols. Without looking at what playing chess might actually mean for ourselves as scholars and for our educational institutions, we have limited chances of being able to continue playing draughts in the context of the transformations of the state and its basic social responsibilities. The advent of globalization (and the spread of its chess players at all levels of governance[10]) may bring about the erosion of the state as we know it i.e. the traditional nation-state described by the sociological container theory of society we have been familiar with. The central premise of (Beck's) national modernity is already overturned – namely, the idea that "we live and act in the self-enclosed spaces of national states and their respective national societies" (Beck 2000a: 20). In the course of these possible current transformations of the state, we need to remember about the institution of the modern university born at roughly the same time, as an intellectual (and ideological) product of the same modern project, following Beck's argument that "the globalization process will have to become the criterion of national politics *in every domain* (in economics, law, military affairs, and so on)" (Beck 2000a: 15, emphasis mine). In every domain, including national higher education policies directly affecting our universities, let us add.[11] As Guy Neave put it,

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[9] Or as John Gerard Ruggie phrased it in his "Globalization and the Embedded Liberalism Compromise: The End of an Era?", "existing systems of supervision and regulation as well as tax and accounting policies were created for a nation-based world economic landscape" (Ruggie 1997: 7).

[10] I am using the notion of "governance" instead of "government" to reflect the involvement of various players at various levels, which is the current reality.

[11] Anthony Giddens in his BBC lectures *Runaway World* claims that "globalisation is restructuring the ways in which we live, and in a very profound manner. … We live

the modern university was "the Nation-State university" (Neave 2001b: 16).[12]

Modern states developed as nation-states – political apparatuses, "distinct from both ruler and ruled, with supreme jurisdiction over a demarcated territorial area, backed by a claim to a monopoly of coercive power, and enjoying legitimacy as a result of a minimum level of support or loyalty from their citizens", argues David Held in his *Democracy and the Global Order* (Held 1995: 48). The most prominent innovations for the concept of the state include territoriality, control of the means of violence, as well as an impersonal structure of power and legitimacy. It is only with the system of modern states that exact borders have been fixed. Holding a monopoly on force and the means of coercion only became possible with the breaking down of rival centers of power and authority.[13] An impersonal structure of power was not possible as long as political rights, obligations and duties were tied to religion and traditional elites. Finally, human beings as "individuals" and "peoples" had won a place as active participants in the new political order. As Held goes on to argue,

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in a world of transformations, *affecting almost every aspect of what we do*. For better or worse, we are being propelled into a global order that no one fully understands, but which is making its effects felt upon all of us" (Giddens 1999: 4–7, emphasis mine).

[12] It was Gerard Delanty who powerfully reminded us recently about the "pact" between the modern university and the state: "in return for autonomy, it [university] would furnish the state with its cognitive requirements. The great social movements of modernity … had little to do with the ivory tower of the academy and its posture of splendid isolation" (Delanty 2001: 2). The historical pact between the two is "slowly beginning to unravel" (4). The global process of the retreat of the state from the position of provider to that of regulator "fundamentally alters the historical pact between knowledge and the state … which was institutionalized in the new centers of knowledge such as the university and the royal academies" (103).

[13] As Opello and Rosow argue in *The Nation-State and Global Order*, constructing and defending national borders involved more than physical defenses; "the people living within them had to be convinced to accept them and had to be made to identify their needs and interests as primarily enclosed within the state's borders" (Opello and Rosow 1999: 226). That was to be achieved, *inter alia*, through education, including later in the 19th century, higher education, as philosophically elaborated by German thinkers writing about the institution of the university.

> the loyalty of citizens became something that had to be *won* by modern states: invariably this involved a claim by the state to be legitimate because it reflected and/or represented the views and interests of its citizens (Held 1995: 48–49).

Although Held does not mention the theme, the modern legitimacy of the state brings us closer, a century later, to the beginnings of the idea of the welfare state. Modern states have certainly won the loyalty of their citizens (as well as achieving social and political stability[14]) when they gradually introduced not only political rights, but also social benefits; including pension schemes, state-subsidized (if not free) higher education and affordable health care.[15] Not forgetting the strong influence of the Russian 1917 October Revolution and its aftermath, the welfare state became a fully-fledged reality throughout the quarter of a

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[14] The economic price for social and political stability provided by the welfare state is certainly a recurring issue. Dani Rodrik seems to hit the mark when he argues in *Has Globalization Gone Too Far*? that "*the most serious challenge* for the world economy in the years ahead lies in *making globalization compatible with domestic social and political stability* – or to put it even more directly, in *ensuring that international economic integration* does not contribute to *domestic social* dis*integration*" (Rodrik 1997: 2, all emphases mine).

[15] Today, the question is how to reduce state intervention is some areas of the welfare state *and* preserve the public trust – retain legitimacy. As Daniel Yergin and Joseph Stanislaw argue, governments today face a "daunting" challenge: "to figure [out] ways to reduce their intervention in some areas, and to retool and refocus their intervention in others, while preserving the public trust. It is a challenge of imagination. It requires buying into the idea of fundamental global change and taking on the task of translating that change into policies that accord with national culture, history, and temperament" (Yergin and Stanislaw 2000: 321). As cultures, histories and temperaments clearly differ from country to country, the process of the translation of global changes into particular national contexts is bound to bring about divergent effects in different countries. The idea of a strong global "convergence" for welfare state solutions has so far been only theoretical; Bob Jessop argues that there is "significant variation" in the search for solutions to the problems of what he terms the Keynesian National Welfare State: "it involves neither a unidirectional movement nor a multilateral convergence across all national regimes" (Jessop 1999a: 356). Roger Dale argues in a similar vein about the effects of globalization on educational policy – globalization cannot be reduced to an imposition of the same set of rules of the game (the same policy) on all countries as "the nature and impact of globalization effects varies enormously across different countries according to their position in the world and regional economies" (Dale 1999: 2).

century following the end of the Second World War. Philip G. Cerny analyzing the issue from the point of view of "public goods" argues that "expanding national bureaucracies continually took on new social and economic tasks, while national capital found that national markets (and the national state) provided a congenial and appropriate framework around which to organize" (Cerny 1995: 608). Public goods were perceived at that time by all interested parties as a national-level phenomena and they were of three kinds: regulatory public goods, productive/distributive public goods and, finally, redistributive public goods. Regulatory public goods include the establishment and protection of private (and public) property rights, a stable currency, the standardization of weights and measures, the protection of contracts and the adjucation of disputes etc; productive/distributive public goods are the full or partial public ownership of certain industries, the direct or indirect provision of infrastructure and public services, public subsidies etc; and redistributive public goods include health and welfare services, employment policies, environmental protection etc. In a globalizing world, nation-states have difficulty supplying or fostering all of these categories of public goods (Cerny 2001: 608ff.). Higher education seems to belong to both the second (public subsidies and public services) and the third (welfare services in a broader sense) kind of public goods. Globalization has undercut the policy capacity of nation-states "in all but a few areas"; the state is seen as "structurally inappropriate" for the task of directly providing productive/ distributive goods (Cerny 2001: 612, 610). Higher education is not an exceptional area here and states' capacities (in relative terms – referring to the massification of higher education) are becoming increasingly limited. At the same time, as Dani Rodrik argues in *Has Globalization Gone Too Far*?, globalization has made it "exceedingly difficult" for governments to provide social insurance – "one of their central functions and one that has helped maintain social cohesion and domestic political support for ongoing liberalization throughout the postwar period". The hallmark of the postwar social contract was that such insurance (as well as other components of the welfare state such as access to affordable education or health care) was expected from governments in advanced countries (Rodrik 1997: 6).

Just to signal further developments: the legitimacy of, and loyalty towards, modern liberal democratic welfare states is under severe stress today and the whole idea of a postwar "social contract" between the state and its citizens is widely debated[16] (let it suffice to mention, from a European standpoint, discussions by Ulrich Beck, sociologist; and Jürgen Habermas, philosopher: from an American standpoint, let us mention Robert B. Reich and his concept of "symbolic analysts" whose loyalties may no longer be so much towards their nation states or their fellow citizens[17]). It has been argued that modern states came to be nation-states because they triumphed in war, were (relatively) successful economically and won legitimacy in the eyes of their populations and other states:

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[16] As John Gerard Ruggie in his classic paper on "embedded liberalism" describes the perceptions of Polanyi and Keynes at the time when the idea of the postwar welfare state was being born, "governments [were] assuming much more direct responsibility for domestic social security and economic stability … [D]emands for social protection were very nearly universal, coming from all sides of the political spectrum and from all ranks of the social hierarchy" (Ruggie 1982: 388). As he goes on to argue, "the task of the postwar institutional reconstruction … [was] to devise a framework which would safeguard and even ease the quest for domestic stability without, at the same time, triggering the mutually destructive external consequences that had plagued the interwar period. This was the essence of the embedded liberalism compromise: unlike the economic nationalism of the thirties, it would be multilateral in character; unlike the liberalism of the gold standard and free trade, its multilateralism would be predicated upon domestic interventionism" (Ruggie 1982: 398).

[17] Mike Bottery in "The End of Citizenship? The Nation-State, Threats to Its Legitimacy, and Citizenship Education in the Twenty-first Century" presents a parallel picture with respect to the future trajectories of the loyalties and allegiances of the wealthy in a globalized world and his views echo those of Zygmunt Bauman writing on the "new poor" and on the "globally mobile" contrasted with the "locally tied". Bottery argues that "whether one likes the consequences or not, the possibility of individuals opting out of citizenship commitments and relocating to a more attractive state is an increasingly possible – even probable – one. Were this to happen on a sufficiently large scale, a nation-state's ability to demand responsibilities and duties from the remaining population would be severely threatened by its inability to deliver *its* side of any citizenship bargain. Such a futuristic scenario of a world made up of competing tax-havens, where the poor live either by serving the rich or by scraping a living in walled-off locations of alternating anarchy and tyranny, is, to this writer at least, ethically and politically grotesque, but still needs serious consideration and rebuttal, for there is sufficient factual detail in this scenario to give it a disagreeable credibility" (Bottery 2003: 112).

> They triumphed in war because, as welfare became more extended in scale and cost, it was larger national states which were best able to organize and fund military power. … They were economically successful because the rapid growth of their markets from the late sixteenth century, and particularly after the mid-eighteenth century, sustained the process of capital accumulation: as the economic basis of the centralized state expanded, it significantly reduced the war-making ability of smaller states (often with fragmented power structures) and traditional empires (which depended above all on the coercive power for their success). And they gained in legitimacy because, as they extended their military, organizational and coordinating activities, they came to depend more and more on the active cooperation, collaboration and support of other collectivities, especially well-organized civil groups (Held 1995: 71–72).

It is useful to note in passing that in these times of powerful globalization processes, and following the end of the Cold War, regular wars – in the classical sense of that term – between nations of the affluent West seem rather improbable today, in contrast to the increasing threats of terrorist attacks on a global scale (as Ulrich Beck put it in his *World Risk Society*, "as the bipolar world fades away, we are moving from a world of enemies to one of dangers and risks", Beck 1999a: 11); the economic success of (to a large extent, no longer national) companies often does not mean economic success for the citizens where these companies are headquartered any more (for the traditional correlation between "national interests" and "corporate interests" no longer holds in a global age); and the success in gaining the loyalty of and legitimacy from the citizens of nation-states through the services and benefits of the modern welfare state could be undermined by its restructuring and retrenchment, as is discussed in Chapter 5. Increasingly, there are differences between the "national interests" of particular nation-states and their citizens on the one hand and the corporate interests (merely economic interests) of particular transnational companies on the other, so states are torn between purely economic decisions which often undermine their traditional legitimacy and purely political decisions which could contribute to maintaining their legitimacy. However, globalization[18]

[18] In thinking about globalization, I am inclined to agree with the definitions given by David Held and his colleagues in *Global Transformations*; from an

has not only changed the scope of economic activities; what has also changed are people's perceptions of social spaces and their boundaries.[19] Various social interactions so far assumed to be taking place *inside* national borders (such as e.g. family connections, participating in voluntary associations, belonging to economic communities), are increasingly constitutive of networks of social interaction *across* these same borders. Civil society moves freely *across* and *along* the territorial borders of states (Opello and Rosow 1999: 232ff), and so do often the loyalties of citizens of nation-states, which in the past had to be catered for by, *inter alia*, the modern university. The control of the state over the economy in a given national territory is much reduced. The national identities of millions of migrating people (on a global scale) need to be renegotiated, and they often mix with other forms of identities (professional, religious, sexual etc) in "hybrid" loyalties.[20]

There is also an increasing awareness of the artificiality, or at least of the constructed nature, of nation-state citizenship. As Mike Bottery argues, it is only at the present time that "the political body defining the terms and boundaries of citizenship is something called 'the nation-state'" (Bottery 2003: 102). Bottery stresses that nation-state

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introductory one: "Globalization may be thought of initially as the widening, deepening and speeding up of worldwide interconnectedness in all aspects of contemporary social life", to a more refined one: "Globalization is a process (or set of processes) which embodies a transformation in the spatial organization of social relations and transactions – assessed in terms of their extensity, intensity, velocity and impact – generating transcontinental or interregional flows and networks of activity, interaction, and the exercise of power" (Held et al. 1999: 2, 16).

[19] Globalization also means a new way of thinking about social and economic space and time. It is not only a "time/space compression", possible through advances in communication and telecommunication, but also what Martin Carnoy calls the "reconceptualization of one's 'world'" (Carnoy 1999: 19).

[20] *The State in a Changing World* (a World Bank's "World Development Report 1997"), describes the situation in the following manner: "the state still defines the policies for those within its jurisdiction, but global events and international agreements are increasingly affecting its choices. People are now more mobile, more educated, and better informed about conditions elsewhere. And involvement in the global economy reduces the state's ability to tax capital, and brings much closer financial market scrutiny of monetary and fiscal policies" (World Bank 1997: 12).

citizenship involves a form of *exchange*, even if such an exchange is rarely fully articulated. In return for a transfer of identification and loyalty from the local and regional level to that of the nation-state, nation-states have provided its citizens with *civil* citizenship (the right to freedom of speech, rights to justice and the ownership of property), *political* citizenship (the right to be involved in the exercise of political power) and *social* citizenship (the right to healthcare, economic security and educational provision) (Bottery 2003: 103ff). What is of major interest to us here is the social citizenship. The loyalty of citizens of nation-states is closely related to this "bilateral" agreement, although never fully codified, between citizens and the state. Should the nation-state be threatened, so also will its role as primary guarantor of citizenship rights. The social concept of citizenship has been under attack since the 1970s and critiques have come from three directions: a philosophical aversion to the paternalistic state; a pragmatic belief in the declining capacity of the nation state to provide social goods (healthcare, social security, education) adequately; and a belief in its inferior capability of providing these goods in comparison with the market:

> All of these bear upon the status and legitimacy of the nation-state, and therefore upon the citizenship bargain, for if the state is seen as an essentially malevolent entity, needing to be kept as small as possible and having neither the capacity nor the capability of providing the goods it has claimed to provide, what right has it to demand allegiance, loyalty and duty from the individual? Why should individuals provide these when it does so little for them? (Bottery 2003: 105).

The philosophical aspect of this critique of social citizenship (or of the welfare state in particular) came from von Hayek's *The Road to Serfdom* and Milton Friedman's *Capitalism and Freedom*. The threat to social citizenship under global pressures comes from what C. Lasch has recently called the "revolt of the elites": the wealthy cease to identify themselves with any particular nation state. The citizens-consumers may opt out of the political life of nation-states and shop around for the best low-cost citizenship, in the most profitable or least-taxed locations around the globe. Internationally mobile groups may be much less willing to cooperate with others in resolving local problems – as Dani Rodrik argues, "owners of internationally mobile factories become

disengaged from their local communities and disinterested in their development and prosperity" if faced locally by both bad economies and bad governance (Rodrik 1997: 70). The forces undermining the loyalty of citizens of nation-states are varied and also include, apart from the critique of social citizenship and consumerism, political globalization, economic globalization and the new ideas of "mean and lean" states. It is very unclear indeed why – along with the dismantling of the welfare state and the renegotiation of the postwar "social contract" between governments, unions and workers; the decline in the capacities, capabilities and willingness of nation-states to provide some traditionally (sometimes even fully) state-funded welfare services; together with many other factors mentioned here – national loyalty should not be decreasing. And if it is decreasing anyway, for some structural reasons, why the whole modern paradigm of the close link between higher education (civic, national education) and the nation-state should be as strong as in pre-globalization eras.

The emergent European political order (by the end of the seventeenth century) was referred to as the "Westphalian model" (after the Peace Treaty of Westphalia in 1648, agreed to in Germany after the Thirty Years' War). The emergent conception of international order entrenched, for the first time, the principle of territorial sovereignty in inter-state affairs (Held 1995: 77). The issue to what extent globalization undermines the Westphalian model of international relations today is crucial to our concerns: discussions about it go to the very heart of the questions about the role of nation-states in the current global order and about their sovereignty in exercising national policies of interest to us here, especially national educational policies. The model constructed by David Held consists of seven generalizations:

1. The world consists of, and is divided by, sovereign states which recognize no superior authority.
2. The processes of law-making, the settlement of disputes and law enforcement are largely in the hands of individual states.
3. International law is oriented to the establishment of minimal rules of coexistence; the creation of enduring relationships among states and peoples is an aim, but only to the extent that it allows national political objectives to be met.

4. Responsibility for cross-border wrongful acts is a 'private matter' concerning only those affected.
5. All states are regarded as equal before the law: legal rules do not take account of asymmetries of power.
6. Differences among states are ultimately settled by force; the principle of effective power holds sway. Virtually no legal fetters exist to curb the resort to force; international legal standards afford minimal protection.
7. The minimization of impediments to state freedom is the 'collective' priority (Held et al. 1999: 37–38).[21]

The new order endorsed the right of each state to autonomous and independent action. As Held comments, "in this conception, the world consists of separate political powers pursuing their own interests, backed by diplomatic initiatives and, in the last instance, by their organization of coercive power" (Held et al. 1999: 38). The gradual undermining of the seven points enumerated by Held means the end of the Westphalian model; this is the end of the traditional world order of nation-states and the traditional relationships between them. Consequently, he argues, we are living in a post-Westphalian order. In his strong formulation of 1995, "the modern state … [is] unable to determine its own fate" (Held 1995: 92), which was later modified and quantified in a magisterial introduction to the globalization debate which he co-authored with his colleagues (Held et al. 1999).[22] The Westphalian order and the sovereign state evolved in a "symbiotic partnership": rulers recognized each other's sovereignty and, in turn, the consolidation of the Westphalian state system reinforced the primacy of the sovereign territorial state (see McGrew 1997: 4ff). Since the Second World War the modern nation-state has become "the principal type of political rule across the globe", and it has acquired a political form of liberal or representative democracy

[21] For Anthony McGrew, the central normative principles of the Westphalian order are fourfold: territoriality, sovereignty, autonomy, and legality (1997: 3).

[22] Held's views on the subject have evolved towards being less radical as the globalization processes develop. Still in 1991 (in *Political Theory Today*) he argued along strong lines that "the internationalization of production, finance and other economic resources is unquestionably eroding the capacity of any individual state to control its own economic future. … Multinational corporations may have a clear national base, but their interest is above all in global profitability. Country of origin is of little consequence for corporate strategy" (Held; quoted in Burbules and Torres 2000: 9).

(Held et al. 1999: 46). Globalization, if it is indeed reconstituting the nature of sovereign states, has profound implications for modern democratic theory and practices which have been constructed upon the foundations of the Westphalian order. As Anthony McGrew argued,

> For if state sovereignty is no longer conceived as indivisible but shared with international agencies; if states no longer have control over their own territories; and if territorial and political boundaries are increasingly permeable, *the core principles of liberal democracy* – that is self-governance, the demos, consent, representation, and popular sovereignty – *are made distinctly problematic* (McGrew 1997: 12, emphases mine).

And the sovereignty of the state meant also the sovereignty of national educational policies and full state support for nation-state oriented universities (from their inception as modern institutions bound by a "pact" with modern nation-states). The university used to provide the modern nation-state with "a moral and spiritual basis" and professors, as Gerard Delanty argues along Humboldtian lines, "constructed themselves as the representatives of the nation" (Delanty 2001: 33, 34).

Andy Green in *Education, Globalization and the Nation-State* (1997) asks a number of succinct questions about the future role of education in what he calls a "post-national era". How distinctive will national education systems remain against the pressures for international convergence? (Which over the next decade and in a distinctly European context, should be complemented with parallel questions about European convergence and the harmonization of higher education through the Bologna process, as well as the emergence of a distinctly European research area, discussed separately in Chapter 6.) Does a national education system have a future at all? According to some of the radical views he describes (which are derived from the logic of both postmodernism and globalization studies), a national education system *per se* is now

> defunct, at once irrelevant, anachronistic and impossible. … Governments can no longer use education to promote social cohesion and to transmit national cultures and should not attempt to do so. As the national state becomes a marginal force in the new world order, so education becomes an individualized consumer good delivered in a global market and accessed through satellite and cable links. National education ceases to exist (Green 1997: 3).

I have to agree with his arguments about the changing nature of education in the national and "post-national" eras. Even though Green does not refer explicitly to the modern ideal of the university, nor to its philosophical formulations in the Germany of the beginning of the 19th century, he hits the mark. It is exactly this juxtaposition of the nation, collectively, using education for citizen-formation, consciousness-building and national awareness raising on the one hand; with education as the individual, private good for (still national) economic competitiveness on the other.[23] As C. Peter Magrath put it recently, "the individual comes first".[24] The historic function of the modern university – the transmission of national cultures, the inculcation of national consciousness in citizens of nation-states, forging national citizenship, the formative purpose and mission of supporting national ideas and ideals, mainly through the humanities and social sciences – seems up for grabs today. As Green vividly describes the process,

> [t]he role of a national education system has changed, particularly in the older advanced nation states, and governments cannot manage education in the old ways. The original function of education systems was to cultivate social integration and cohesion, forging new notions of national citizenship and identity. … [E]ducation has particularly *lost sight of this formative mission and purpose*. In the advanced states now … *education is seen primarily as a means of individual and collective economic advancement. Citizen formation has*

[23] This opposition was strongly emphasized by Jean-François Lyotard in his (somehow prophetic) *The Postmodern Condition* when he argued that "in the context of delegitimation, universities and the institutions of higher learning are called upon to create skills, and no longer ideals. … The transmission of knowledge is no longer designed to train an elite capable of guiding the nation towards its emancipation" (Lyotard 1984: 48). In more general terms, Lyotard questions emancipatory ambitions for knowledge (and its producer, the "Professor") in postmodernity. See in this context especially Peter Roberts' paper "Rereading Lyotard: Knowledge, Commodification and Higher Education" (1998) and A.T. Nuyen's book chapter on "Lyotard and Rorty on the Role of the Professor" (1995).

[24] As he states it explicitly: "if his or her needs are not served, there will be political or economic repercussions against providers who do not provide – who fail to serve their customers" (Magrath 2000: 252). Or, in a similar vein, as Martin Wolf phrased it crudely, "governments, like other institutions, will be forced to provide value to those who pay for their services" (Wolf 2001: 188).

> *given way to skills formation, nation-building to national economic competitiveness.* The public and collective nature of the educational project has been partially eclipsed, at least for the moment, by individualist aspirations and norms (Green 1997: 4, emphases mine).

We have to remember that national education systems were created as part of the state forming process which established the modern nation-state.[25] They were born when states based on absolutistic or monarchical rule gave way to the modern nation-state: as Green stresses, the history of "national education" is thus very much the history of the "nation state in formation" (Green 1997: 131). National education systems contributed to the creation of civic loyalties and national identities and became guardians for national languages, cultures, literatures and consciousness. The modern university and the modern nation-state went hand in hand, or were parts of the same wide process of modernization.[26] Consequently, as we claim here, reconfigurations of

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[25] I am in full agreement with Jürgen Enders who claims that the contemporary university "was born of the nation state, not of medieval civilisation, and it was only in the nineteenth and twentieth centuries, following the establishment of clear national economic interests, that universities acquired their identification with science and technology. Their regulatory and funding context was, and still is, national; their contribution to national cultures was, and still is, significant; students tended to be, and still are, trained to become national functionaries; and universities played, and still play, a considerable role in what some have called the military-industrial complex of nation states. It is appropriate, therefore, to see current trends as part of a process by which national systems of higher education are being challenged by new forces of internationalisation" (Enders 2002a: 3).

[26] Interesting enough, Michel Foucault, in his brilliant panoramic views of what he called the "Classical Age" presented over a period of thirty years, has clearly shown the power/knowledge connection as used by the state and its institutions: mental hospitals, clinics, prisons, corrective institutions etc. Nevertheless he has never focused on the relationships between the modern state and the modern university as such. Even though the production of knowledge and the exercise of power were two sides of the same process, Foucault never directly referred to modern research universities and the German-inspired ideal of the modern researcher in his analyses. Let us evoke here his intriguing idea (from a chapter on "Panopticism" in *Discipline and Punish*) that "it is surprising that the cellular prison, with its regular chronologies, forced labour, its authorities of surveillance and registration, its experts in normality, who continue and multiply the functions of the judge, should have become the modern instrument of penality? Is it surprising that prisons resemble factories, schools, barracks, hospitals, which all resemble prisons?" (Foucault 1979: 227–228).

the modern nation-state today are bound to affect the modern institution of the university. Green believes in the durability of the nation-state and argues that the most economically and culturally successful nation-states have carefully deployed centralized state education and they should continue to do so (see a review symposium on his book in Dimitriadis et al. 1998: 571ff). He can be viewed as a strong supporter of government-funded public education.

State-sponsored mass education is, in modernity, the primary source of socialization facing the individual as citizen of a nation-state (see Spybey 1996). Individuals were given access to "knowledge" and the opportunity of becoming "educated" – "but enablement is combined with constraint upon the individual to identify with and participate in the state as a national project" (Spybey 1996: 59). European nation-states were engaged in authorizing, funding and managing education systems, including higher education, to construct unified national polities. As Francisco Ramirez and John Boli put it,

> individuals were expected to find their primary identification with the nation, and it was presumed that state power would be enhanced by the universal participation of citizens in national projects (Ramirez and Boli quoted in Spybey 1996: 59).

Even though they never explicitly mention Prussia after its defeat by the French and the Prussian drive to reform their educational institutions at the beginning of the 19th century, the idea that a military defeat (or a failure to keep pace with industrial development in rival countries) is a factor stimulating the state to turn to (higher) education as a means of national revitalization can be referred directly to the Humboldtian reforms.

3.2. The Nation-State and the Modern University: a Historical Pact between Two Modern Institutions

As Guy Neave stressed in his paper on "The European Dimension in Higher Education", "the construction of the Nation-State in Western Europe rested on a discourse which turned around its political, cultural and historic heritage conceived as uniting the citizens of a given state

around them. To this, the university was an undissolvable part. Both by its teaching and by the research it undertook in the cultural and human sciences it challenged, reaffirmed, and reinterpreted the nation's fortune in the past and its right to legitimacy in the present" (Neave 2001b: 47). Following Neave, it is useful to ask a set of basic questions about the relationship between the university and society (for my agreements and disagreements with Neave about the German idea of the university and the relationships between the university and the nation-state, see also a long section in the Introduction). The questions have remained fundamentally the same throughout recent centuries; what changes from time to time is the answers to them – which may become inadequate or irrelevant. Neave in his discussion of "Universities' Responsibility to Society" presents six fundamental questions each society should pose itself with respect to its universities:

> How is the "community" to which the university is answerable conceived? What is the role of central government in controlling or steering the university? What is the place of Academia in the Nation? Is the University an institution for stability or change? What purpose does the knowledge transmitted and generated by the University play in society's development? Should society – through government – determine the type of knowledge which should have priority in the University? (Neave 2000b: 4).

These questions were central to the Humboldtian reforms of the Prussian universities, to the French reforms of universities at roughly the same time (giving rise to the "Napoleonic" model of the institution), as well as to the evolution of both British and American universities.[27] Clearly, in Neave's view, they are also central to universities at the beginning of the 21st century.

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[27] Bill Readings argues that the university is pressed into the service of the (nation) state once the notion of universal reason is replaced by the idea of (national) culture as the animating principle of the university. The difference between the developments in France and in Germany at the turn of the 19th century is that the French were claiming to legitimate the state in terms of *universal reason*, and hence their education system, while placed at the service of *national culture*, continued to think of its identity in terms of the superstition/enlightenment opposition (Readings 1996: 60ff). Germans viewed the new university from the perspective of nationhood, German ethnicity, or Germanness. At the same time, as Guy Neave stresses, the third variation of State/University relationships –

Let us try now to see how these basic questions can be referred to current transformations of the institution under global pressures. The community to which universities are answerable today does not have to be the nation or the nation-state anymore; increasingly, following the American model, it may be the region or the local community – or the globe, for major world-class universities. National literature, national history and civic education conceived within a national framework are no longer at the center of the university; the university seems increasingly answerable to the community of its "clients": students, employers' associations, and the economy more generally (it is Guy Neave who has been recently developing the ideas of the "stakeholder society"[28]). In the most general terms, the role of central governments in controlling the university, and in subsidizing its operations, is decreasing. The place of Academia in the Nation is changing: from a provider of national glue to hold society and its citizens together – to a provider of the skills and competences necessary to flourish in emergent knowledge-based societies; as well as from the pursuit of knowledge mostly for its own sake (from Humboldt's traditional formulation discussed in Chapter 2) – to the pursuit of constantly redefined and mostly "useful" knowledge. Instead of fostering national identity, the university becomes an increasingly important part of the (global) production process. The university today is conceived of as an institution designed for *change* rather than for *stability*: it is expected to work on the cutting edge of sciences and bring technological innovations to the production process. Its links with industry are getting closer and much more natural than in the past: research funds are increasingly "strings-

England – included the university as a "self-governing, property owning corporation" and it remained intact over the same period (Neave 2001b: 28).

[28] Neave draws a line between the role of universities in the age of nation-states and in the emergent stakeholder society in his recent CHEPS inaugural lecture. He argues that "the rise of the Stakeholder Society comes as the end to this 19th century concordat between Nation State, its representative communities and the university in Continental Europe. It reflects a redefinition in the place of the State, sometimes alluded to as the shift from 'State control' to 'State surveillance'. And by the same token, it involves a redefinition of the community in terms of those interests to which the university should be answerable" (Neave 2002c: 12).

attached", especially in such areas as medicine, biotechnology, genetics, computing sciences etc. Knowledge produced by the university is increasingly "useful" to the economic development of countries and nations, while what counts as useful is having to be renegotiated with research-funding state agencies and third parties, especially companies. Knowledge produced and transmitted by the university no longer serves to maintain national ideals and inculcate national consciousness; it is increasingly technical knowledge which is independent from the national, linguistic and ideological context in which it was produced (the knowledge produced in computing sciences is a good example).[29] As Neave argues,

> it is no longer the humanities or the cultural sciences that have universal value. On the contrary, their national or territorial relatedness places them in the position of being specific to the identity, circumstances and condition of a particular national or linguistic community (Neave 2001b: 53).[30]

Finally, as far as the last question from the set presented by Neave is concerned, society through its government is increasingly

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[29] On the relationships between the humanities and the sciences in American academia, Ronald Strickland stresses that the final point has been, already for a few decades, *who pays the bill*. Retrospectively, "in elite universities the traditional prestige of the humanities began to erode with the expansion of scientific research in the 1950s. In actual practice … humanities were increasingly treated as window-dressing. A distinguished humanities program could be an impressive 'ornament' and the humanities faculty often enjoyed light teaching loads and ample research support, but everyone tacitly acknowledged that the sciences were first priority – the sciences were paying the bills" (Strickland 2002: 9). In a similar vein, J. Hillis Miler remembers that it is difficult for most humanities professors to accept the fact that their prosperity in the 1960s, 1970s and 1980s "was as much a result of the Cold War as was the prosperity of aircraft and weapons manufacturers, or as was the space race that put men on the moon. Nevertheless, we were part of the military-industrial complex. The expensive development of humanities programs was an ancillary part of our need to be best at everything in order to defeat the Soviet Union in the cold war" (Miller 1996: 16).

[30] This is a common belief among the students of the institution of the university today. Bill Readings claims that "the *centrality* of the traditional humanistic disciplines to the life of the University is no longer assured" (Readings 1996: 3), while Miriam Henry et al. evoke the marginalization of "non-commercial areas of inquiry and research, particularly in the humanities and social sciences" caused by increasing levels of privatization and the commodification of tertiary education (Henry et al. 2001: 169).

influencing academic priorities and the priority areas of knowledge produced by the university: the major influence being through state funding mechanisms. But perhaps research areas are being prioritized by the market and corporate funding even more, especially in the most advanced economies where links between Academia and the economy are much stronger than in developing and less-developed countries.

The crucial step in the development of European universities for our purposes here is what Neave termed the process of their "nationalization" – bringing the university formally into the public domain as a *national* responsibility. With the rise of the nation-state, the university was set at the apex of institutions defining national identity:

> The university was thus subject to the oversight of public administration rather than being the object of regalian privilege. … [T]he university was assimilated into a national system of oversight and control exercised through legislative enactment, ministerial decree and circular. It opened the way to the public financing of universities via the state budget. And, no less important, the forging of the nation-state went hand in hand with the incorporation of academia into the ranks of state service, thereby placing upon it the implicit obligation of service to the *national* community (Neave 2001b: 26).

The process of *étatisation* or "nationalization" of the university started long before the appearance of nation-states and was an indirect consequence of the Peace of Westphalia of 1648 which gave the ruler the right to determine the particular religious obedience of his subjects. It changed the nature of super-ordinate authority and the mission of the university: in contemporary terms, "super-ordinate authority was repatriated or appropriated by the Prince" (Neave 2001b: 17). According to Neave, the incorporation of the university into the service of the territorial state falls into two distinct phases. The first ends with the French Revolution, the second begins with the reconstruction of the Prussian university by German thinkers. The collective identity produced at universities gradually detached itself from the person of the ruler and became national identity, with loyalty directed to the nation and its history, philosophy, literature,

language and social institutions rather than loyalty directed towards the ruler, as in the pre-revolution era. Let us add in passing that from this perspective, the decline in states' sovereignty and the diminishing role of their territoriality under the pressures of globalization introduces a new dimension to the state-university relationship. If the sovereign and territorial state is affected by globalization, so is the modern university brought in to serve it over the last two hundred years.

The emergence of the Prussian and French (Napoleonic) models of the university not only meant a shift from revealed knowledge – characteristic of Medieval universities – to verifiable scientific knowledge. These institutions were also illustrating the process of "the harnessing of the university to the modernization of society, to the modernization of national administration and to ensuring the transition of 'traditional society' based on ties of family, clan, tribe and hereditary influence towards one based on the rule of law, of equality before the law and the unifying force of a rational and impartial bureaucracy" (Neave 2000b: 5). The Humboldtian reforms and their French counterparts are also

> a crucial step in *the definition of the Nation-State itself*, by putting in place those institutions for *upholding national identity, providing the means of perpetuating particular 'knowledge traditions'* to which the emergent Nation attaches importance as unique expressions of its exceptionalism, and formalizing the type of knowledge necessary both for citizenship and for assuming the highest administrative responsibilities the Nation may confer (Neave 2000b: 5, emphases mine).

The emergence of the universities in Berlin and in Paris provided a template for the relationship between teaching and research (University of Berlin) and between the university and the state (*Université Imperiale* in Paris). They marked the termination of the long process for "the final incorporation of the university as a public service institution" (Neave 2001b: 25).

The process of the "nationalization" of the university settled the issue of what the role and responsibilities of the institution in society should be. The emergent nation-state defined the social place of the emergent modern university and determined its social

responsibilities. The nation-state determined the community to which the university would be answerable: it was going to be the "national" community, the nation. As Neave goes on to argue,

> the basic assumption which lay behind the centralized, unitary State turned around the notion of the unity and, as far as possible, homogeneity in the provision of the services government placed at the disposal of society. … Under such conditions, each university was a public institution, sometimes even an institution of State… (Neave 2000b: 7).

Certainly, as is discussed in Chapter 4 on the transformations of the welfare state, the services and benefits the unitary and homogeneous nation-state gradually, and over the passage of time, placed at the disposal of society went far beyond education, and included e.g. generous healthcare systems and old-age pension schemes. Nowadays, as the decomposition of the welfare state in general progresses smoothly (and mostly in an unnoticeable manner) in most parts of the world, social contracts with regards to these (and possibly other) areas of state benefits and state-funded services may have to be renegotiated, significantly changing their content. In many respects, higher education seems to be an experimental area and a testing ground on how to reform the public sector in many countries and for many organizations; both healthcare and pensions systems are being experimented with as well but on a smaller scale, both in theory and in practice.[31]

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[31] The biggest empirical evidence for the direction of changes in the transformation of the public sector are various "structural adjustment" programs in developing and transition countries which require the states taking IMF or World Bank loans to e.g. reduce public expenditures, reduce consumer subsidies, eliminate price controls, drastically reduce tariffs, charge users for public services and privatize public enterprises and social services (see Carnoy 1999: 49; Ferge 2001b). With respect to education, structural adjustment policies are linked to globalization to the extent that "all strategies of development are now linked to the imperatives of *creating stability for foreign capital*. In other words, given the insurmountable obstacles to raising sufficient capital internally, there is no other choice than adapting to policies that *systematically* undercut the capacity of governments to construct educational policies that enhance educational quality or seek to develop some degree of national autonomy in the context of research and development" (Morrow and Torres 2000: 43, emphases mine). Recipient governments are encouraged to adopt policies which Thomas L. Friedman termed (in *Lexus and the*

The idea of what constituted "useful knowledge" has already had to be renegotiated in the course of the history of the modern university. With the advent of the nation-state, useful knowledge assumed a new form: it was the type of knowledge which "underpinned national cohesion, provided techniques, skills and understanding to ensure the administration of public order, health and the maintenance of the rule of law". The university became "the prime source of such knowledge and the repository of the Nation's historic, cultural and political memory, the preservation and diffusion of which was its paramount task" (Neave 2000b: 12). The production of this type of knowledge at the university became its public responsibility. At the same time, though, as Neave stresses, there was the other obligation of the institution: the second duty, conceived of under the influence of German Idealists in the form of the "pursuit of truth". It was disinterested scholarship driven by the curiosity of free individuals, scholars searching for truth.

3.3. Globalization and the Nation-State: The Three Camps

For our purposes here it is crucial to see not only the historical relationships between the university and the nation-state but also the current impact of globalization on the institution of the state (and on

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Olive Tree) "the Golden Straightjacket": "To fit into the Golden Straightjacket a country must either adopt, or be seen as moving toward, the following golden rules: making the private sector the primary engine of its economic growth, maintaining a low rate of inflation and price stability, shrinking the size of its state bureaucracy, maintaining as close to a balanced budget as possible, if not a surplus, eliminating and lowering tariffs on imported goods, removing restrictions on foreign investment, getting rid of quotas and domestic monopolies, increasing exports, privatizing state-owned industries and utilities, deregulating capital markets, making its currency convertible, opening its industries, stock and bond markets to direct foreign ownership and investment, deregulating its economy to promote as much domestic competition as possible, [and] eliminating government corruption, subsidies and kickbacks as much as possible..." (Friedman 2000: 100; see also M. Rodwan Abouharb's paper on "When the World Bank Says Yes: Determinants of Structural Adjustment Lending", 2003, and a research paper by Stephen Coate and Stephen Morris, "Policy Conditionality", 1996).

the public sector to which public universities have traditionally belonged, to which we will return further in the chapter). The changing ideas of the welfare state under globalization pressures are discussed in Chapter 4; so for now let us turn to the current rethinking of the nation-state in the context of globalization. Once we establish the major directions in rethinking the nation-state today, we will be able to see the possible long-term consequences for higher education in new accounts of the nation-state. To begin with, following the classification of David Held and his colleagues from their magisterial *Global Transformations* book, in the debate on globalization it is possible to distinguish between three broad schools of thought. Held et al. call them the hyperglobalizers, the skeptics and the transformationalists (which does not differ substantially from Anthony Giddens' classification into radicals, skeptics and those who go outside the economic realm and lean towards viewing globalization also in political, cultural and technological terms in *Runaway World*, or from Jan Aart Scholte's broad classification into the globalists, the skeptics and the moderates in *Globalization: A Critical Introduction*; Giddens 1999: 8–10; Scholte 2000: 17–19):

> for the hyperglobalizers, such as Ohmae, contemporary globalization defines a new era in which peoples everywhere are increasingly subject to the disciplines of the global marketplace. By contrast the skeptics, such as Hirst and Thompson, argue that globalization is essentially a myth which conceals the reality of an international economy increasingly segmented into three major regional blocks in which national governments remain very powerful. Finally, for the transformationalists, chief among them being Rosenau and Giddens, contemporary patterns of globalization are conceived as historically unprecedented such that states and societies across the globe are experiencing a process of profound change as they try to adapt to a more interconnected but highly uncertain world (Held et al. 1999: 2).

We will use these classifications in a much more narrow sense, associating the three intellectual camps with the three positions taken today with regard to *the impact of globalization on the nation-state* and referring to them as *globalists*, *skeptics* and *moderates*. The three stances will need a reformulation with regard to the issue of the present and the future of the nation-state: those who pronounce its demise, those

who maintain that generally nothing substantial has changed in recent decades, and those who see the transformation of the nation-state as fundamental (but not deadly to it).

From the perspective of the present book, as to the globalists, I am referring to Jean-Marie Guéhenno (in *The End of the Nation-State*), Kenichi Ohmae (in *The End of the Nation-State: the Rise of Regional Economies*), Martin Albrow (in *The Global Age. State and Society Beyond Modernity*), Robert B. Reich (in *The Work of Nations*), and Susan Strange (in *The Retreat of the State. The Diffusion of Power in the World Economy*); as to the skeptics, I am referring to Paul Hirst and Grahame Thompson (in *Globalization in Question. The International Economy and the Possibilities of Governance*), Linda Weiss (in *The Myth of the Powerless State*), Robert Boyer and Daniel Drache (editors of *States Against Markets. The Limits of Globalization*), Stephen D. Krasner (in "Compromising Westphalia"), and John Gray (in *False Dawn. The Delusions of Global Capitalism*); finally, as to the moderates, I am referring here to Anthony Giddens (in *Beyond Left and Right* plus *Runaway World. How Globalisation Is Reshaping Our Lives* and *The Global Third Way Debate*), Saskia Sassen (in *Losing Control? Sovereignty in an Age of Globalization* and *Globalization and Its Discontents*), Manuel Castells (in *The Information Age. Economy, Society and Culture*, especially vol. 2, *The Power of Identity*), Jan Aart Scholte (in *Globalization. A Critical Introduction*), James N. Rosenau (in "Governance in a Globalizing World"), and David Held, Anthony McGrew, David Goldblatt and Jonathan Perraton (in a number of books they wrote or edited separately or together in recent years, including their *Global Transformations*, Held's *Democracy and the Global Order*, and McGrew's *The Transformation of Democracy? Globalization and Territorial Democracy*). Additionally, I would be also inclined to include Zygmunt Bauman (in e.g. *Globalization. The Human Consequences*) and Ulrich Beck (in e.g. *What Is Globalization?*) among the globalists, but discuss both briefly in Chapter 5 on the current transformations of the welfare state.[32]

[32] To complicate things further, we need to remember about the distinction between the *reality* of globalization and the *ideological stance* towards furthering it, or between *economic* and *ideological* arguments. As Peter Evans writes in an excellent paper on "The Eclipse of the State? Reflections on Stateness in an Era of Globalization"

3.3.1. The Globalists

Let us try to summarize the position of the globalists. Recent historical and political developments, and globalization processes in particular, open for them a new epoch in human history, a radically new, post-national world order: "a new age" has just taken place and consequently we need "a new beginning" in our thinking (Albrow 1996: 2). The collapse of communism in Eastern Europe brings an end to the "age of the nation-states" (and re-opens the issue of the welfare state[33]) with the very idea of a nation being perhaps "only an ephemeral political form, a European exception".[34] This is no surprise,

(1997), "changes in the global ideological climate are as crucial as new flows of money and goods". He argues that "the effect of a global ideological consensus (sometimes aptly labeled the 'Washington consensus') on individual states goes well beyond the constraints imposed by any structural logic of the international economy. … The *economic* logic of globalization does not in itself dictate the eclipse [of the state]. While globalization does make it harder for states to exercise economic initiative, it also increases both the potential returns from effective state action and the costs of incompetence. Only when viewed through the particular prism of our current global ideological order does globalization logically entail movement toward statelessness. This global ideological order grows, in turn, as much out of prejudices and ideologies of dominant global actors as out of any logic of interest" (Evans 1997: 63, 73–74). In a similar vein, Morrow and Torres stress the need to distinguish clearly between "the fiscal crisis of the welfare state (which forces a reduction of expenditures irrespective of ideological meanings" and the "presumed pressures of globalization that entail a reorganization of the production process and the subordination of education to it" (Morrow and Torres 2000: 45).

[33] Both Anthony Giddens and Will Hutton agree about the role of communism in keeping fully-fledged welfare states alive: Hutton says: "I would say that communism, although it failed, did have one good impact; it kept capitalism on its guard – in a sense it kept it aware that it had to have a human face". Giddens: "[S]ocial democracy and the Keynesian welfare state perhaps were only able to develop as they did because of being in between American liberal capitalism and Soviet communism. … At least for the present time, no one can see any effective alternatives to the combination of a market economy and a democratic political system – even though each of these has great deficiencies and limitations" (Hutton and Giddens 2000: 11–13).

[34] The (still somehow) unexpected collapse of communism in the Eastern bloc should make us avoid strong, conclusive rhetoric. As Robert Keohane reminds us, "social scientists viewing the new world order should be humble on two dimensions. Our failure to foresee the end of the Cold War should make us diffident about our

we are entering a "new age" (Guéhenno 1995: x, 4, xiii). There will be no national economies (products, technologies, corporations or industries); consequently, citizens of nation-states are no longer in the same economic boat called the "national economy" and they are not bound together by the same economic fate (Reich 1992: 3–8). The economy becomes "borderless" and what occurs under the influence of global forces is the "end of the nation-state": nation-states appear to have been merely a transitional form of organization for managing economic affairs (Ohmae 2000: 210). To use Ohmae's metaphor,

> Nation-states are political organisms, and in their economic bloodstreams cholesterol steadily builds up. Over time, arteries harden and the organism's vitality decays. … Thus, in today's borderless economy, with its rapid cross-border [flows], there is really only one strategic degree of freedom that central governments have to counteract this remorseless buildup of economic cholesterol (Ohmae 2000: 211).

Susan Strange stresses the reversal of the "state-market" balance of power and claims that "the impersonal forces of world markets … are now more powerful than the states to whom ultimate political authority over society and economy is supposed to belong" (Strange 1996: 4).[35] The autonomous nation-state is losing its privileged

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ability to predict the future. And the weakness of our knowledge of the conditions for constitutional democracy and for peace should make us reluctant to propose radical new plans for global democratization or peacekeeping" (Keohane 2000: 120).

[35] It is useful to evoke here Karl Polanyi's idea of "double movement" (two principles organizing our societies: the principle of *economic liberalism* and the principle of *social protection*, or the market opposed to state interventionism), in his classic *The Great Transformation. The Political and Economic Origins of Our Time*: "For a century the dynamics of modern society was governed by a *double movement*: the market expanded continuously but this movement was met by a countermovement checking the expansion in definite directions. Vital though such a countermovement was for the protection of society, in the last analysis it was incompatible with the self-regulation of the market, and thus with the market system itself". The "double movement" means two organizing principles in society: "the one was the *principle of economic liberalism*, aiming at the establishment of a self-regulating market, relying on the support of the trading classes, and using largely *laisse faire* and free trade as its methods; the other was *the principle of social protection* aiming at the conservation of man and nature as well as productive organization, relying on the varying support of those most immediately affected by the deleterious action of the market – primarily,

position under political and social change on a "very grand scale", while the pace of this change is "more rapid than human society has ever before experienced" (Strange 1996: 86, 4). Zygmunt Bauman gives a chapter in his book on globalization the title: "After the Nation-State – What?" and stresses that "*no one seems now in control.* Worse still – it is not clear what 'being in control' could, under the circumstances, be like" (Bauman 1998: 58).

Strange and Bauman certainly come from very different traditions of thought than most of the others and they are radically different, in normative terms, from those globalists who share a neoliberal creed. In descriptive terms, though, they sound quite similar indeed (incidentally, it would be interesting to see whether the whole idea of *die postnazionale Konstellation* recently presented by Jürgen Habermas would be that different from the alarmist tones assumed by both Susan Strange and Zygmunt Bauman).[36] No matter where they come from, they share with neoliberals the conviction that we are currently witnessing the end of the world as we know it: the world of the nation-state (and also, to a large extent, the world of the traditional welfare state, which is discussed separately). The "impersonal" forces of the market are much more powerful than the forces of nation-states; the game between large transnational corporations and small nation-states is not being played according to the same rules, to refer again to Ulrich Beck's metaphor of playing draughts by the latter and playing chess by the former (and therefore it is a "new power game" between "territorially fixed political players and non-territorially fixed economic players", as Beck calls it in *The Brave New World of Work*, Beck 2000b: 2).

It is interesting to see in more detail how the globalists view the current and future role(s) of the nation-state in a globalizing world.

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but not exclusively, the working and the landed classes – and using protective legislation, restrictive associations, and other instruments of intervention as its methods" (Polanyi 1957: 130–132). See also Geoffrey Garrett who suggests "peaceful coexistence" between interventionist national economic policies and global markets as possible today, despite much contemporary rhetoric (Garrett 2000: 302) and Ruggie on "embedded liberalism" (Ruggie 1982 and 1997).

[36] Habermas' views on the future of the welfare state are discussed in Chapter 5.

Indirectly, through discussing their views on the future of the nation-state and comparing them with the views of the skeptics and the moderates, we may get a continuum of possible answers to *the question of the future of nation-state oriented higher education systems.* It is hard to say which of the two close relations the institution of the modern university has, its relationship to the nation-state or its relationship to welfare state, will be more important for the future role(s) of the institution in the long term. Transformations to both aspects of the state, discussed separately here, are long-term processes and right now, on more practical grounds, the reformulation of the welfare state seems to be affecting universities more immediately and more directly. In the future, though, the other dimension of transformations to the state, namely, *the questioning of the autonomous role of the nation-state in a global setting* (its "end", "hollowing out", "withering away", "demise", "decline", "collapse" etc, in various current formulations) may have even greater effects on the university, both in terms of its social purpose and missions – and in terms of future public funding for both teaching and research as well.

To recall Susan Strange's strong thesis in *The Retreat of the State. The Diffusion of Power in the World Economy*, "the impersonal forces of world markets … are now more powerful than the states two whom ultimate political authority over society and the economy is supposed to belong" (Strange 1996: 4). The growing diffusion of the authority of states to other organizations and associations, local and regional bodies, and the decline of state power is accompanied by the growing intervention of the state and its agencies in the daily lives of its citizens. The arguments of her book are based on three premises. The first premise is that politics is not confined to politicians and their officials, the second is that power over outcomes is exercised impersonally by markets (and unintentionally by those who buy, sell and deal in markets), and the third that authority in society is "legitimately exercised by agents other than states" (Strange 1996: 13). She presents three propositions about the patterns of legitimate authority developing in the international political economy. The first is that there is a "growing asymmetry" among sovereign states in the authority they exercise in society and the economy; the second is that

the authority of all states has been weakened as a result of technological and fiscal changes and the emergence of a single global market economy. And the third is that some of the fundamental responsibilities of the state in a market economy are now not being adequately discharged by anyone: there is a vacuum in the international political economy which results in what Strange calls a hole of "non-authority" or "ungovernance" (Strange 1996: 13–14). What Strange had already suggested in her *States and Markets. An Introduction to International Political Economy* (Strange 1988) finds its further presentation in *The Retreat of the State*; the global shift away from (national) states and towards markets. She makes her point with respect to the future of nation-states as follows,

> No one seriously expects states to disappear, at least not in the foreseeable future. ... [T]he progressive integration of the world economy, through international production, has shifted the balance of power away from states and toward world markets (Strange 1996: 46).

The social and political consequences of this shift of balance are as far-reaching as those of the industrial revolution in the past. States collectively retreating from their participation in the ownership and control over industry, services and trade as part of state policies.[37] This power was not stolen from the government of states by transnational corporations or other political and economic organizations: "it was handed to them on a plate" (Strange 1996: 45).

Strange stresses that today it is increasingly doubtful that the state in general can still claim loyalty from its citizens substantially greater than their loyalty to family, to the firm or to their political party ("even in some cases to the local football team"). People from stable political societies do not expect to have to sacrifice their lives for anyone except for their families. In short, the claim that there is a

[37] Peter Evans in "The Eclipse of the State? Reflections on Stateness in an Era of Globalization" argues that currently Anglo-American "ideological prescriptions" have been transcribed into "formal rules of the game, to which individual states must commit themselves or risk becoming economic pariahs. GATT and the WTO are only the most obvious formal manifestations of the doctrine that as far as capital and goods are concerned *the less individual states behave as economic actors, the better off the world will be*" (Evans 1997: 71, emphasis mine).

difference of degree between the loyalty to the authority of the state and the loyalty to other forms of authority cannot be sustained. Consequently, the state

> is undergoing a metamorphosis brought on by structural change in world society and economy. This metamorphosis means that it can no longer make the exceptional claims and demands that it once did. It is becoming … *just one more source of authority among several, with limited powers and resources* (Strange 1996: 72–73, emphasis mine).

Together with the gradual decline of the authority of the nation-state, and with the new, not so much nation-state oriented loyalties of its citizens, in a globalizing world, we are left with what Strange called Pinocchio's problem: the strings that held each of us to the nation-state made us the puppet of forces we could neither control nor influence. Pinocchio's problem, at the end of the story, when he became a real boy, was that he had "no strings to guide him", he had to make up his own mind. Today, similarly, the problem we have is Pinocchio's problem – about our current allegiances, loyalties and identities. There is no guide for us with respect to whose authority to respect and whose authority to challenge and why, or how to divide our loyalties between our countries, our families and our firms, in the absence of a framework of nation-states. We are left, at the end of the road, with "our individual consciences" as our only guides (Strange 1996: 199). Which brings us close not only to Zygmunt Bauman's reflections on globalization, but also to his reflections on our "postmodern ethics" and the "ethical paradox of postmodernity". In his account of the historical passage from modernity to postmodernity, modernity was an attempt to abolish individual responsibility; postmodernity, in contrast, restored to agents the

> fullness of moral choice and responsibility while simultaneously depriving them of the comfort of universal guidance … Ethical tasks of individuals grow while the socially produced resources to fulfill them shrink. *Moral responsibility comes together with the loneliness of moral choice* (Bauman 1992: xxii, emphasis mine).

For our purposes here, we can supplement Bauman's idea by referring it not only to the modernity/postmodernity nexus, but to

that of national/post-national (global) one as well. We need our own individual consciences not only to make moral choices, in the absence of well-codified and almost universally accepted modern codes of morality, but also to make individual choices about national, familial and professional loyalties in a new unstable and still uncodified, perhaps uncodifiable, global world.[38]

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[38] We come now to the issue of modern philosophy, postmodern philosophy, and the global age. The question is to what extent postmodern thought (post-Nietzschean, non-foundational, postmetaphysical, interpretive rather than legislative etc, referring to various sets of descriptions by various postmodern thinkers) must take into account recent social, cultural (and economic) changes brought about by globalization? What does globalization mean for postmodern philosophers? What is philosophically more significant to society or the state (with some notable geographical exceptions): the demise of the cultural and philosophical project of *modernity*, or the dawn of the global age, with its hardly acceptable but omnipresent priority of the economy and market over democracy and the state (which is Richard Rorty's "money" perspective, mentioned several times in is recent *Achieving Our Country*)? Sociology has tried to develop a new post-national "framework of reference" through the works of Giddens, Bauman and Beck who are afraid of their discipline becoming obsolete and irrelevant in an increasingly postnational and globalizing world. What about philosophy? What can postmodern philosophy in general do vis-a-vis the social and human challenges of globalization? Why, in general, are references to postmodern philosophers and/or philosophers of postmodernity (with the notable exception of Zygmunt Bauman), especially Jacques Derrida and Richard Rorty, so distant from the current globalization debates? To what extent has postmodernism in philosophy been a cultural emanation of wider civilizational processes, and to what extent is the postmodern "return to the individual" paralleled by the political "weakening" of the nation-state? To some extent Andy Green is right in saying that "globalization" and "postmodernism" are "twins" but in his book (1997) he shows no inclination to conceptualize the relationships between the two. From among "classic" postmodern theorists, it was certainly Lyotard in his prophetic *Postmodern Condition* of 1980 who was the most aware of possible future global transformations. He never returned to these areas of research during his next two decades of work, though. It was Lyotard, as the first among postmodern theorists to do so, who suggested a strong move towards the economy (as opposed to culture) and away from politics, the end of the traditional university and its founding German values in a global age, and the political significance of emergent transnational corporations. To refer to another example of postmodern philosophy: Richard Rorty's new pragmatism – Rorty's excellently pessimistic contemplation of a world under globalization testifies to his understanding that quite soon some major problems raised in his *Achieving Our Country* (1998) may in fact become obsolete. It is very hard to align his explicit

Zygmunt Bauman in his *Globalization. The Human Consequences* recalls the significance the collapse of the Communist block in 1989 had for the spread of globalization and the decline in the role of the nation-state. Before 1989, Bauman claims, everything in the world "had a meaning" and that meaning emanated from a split between the two power blocks. Today, the world "does not look a totality anymore; it looks rather like a field of scattered and disparate forces". The result is that no one seems to be "in control". Globalization in this context conveys the idea of "the indeterminate, unruly and self-propelled character of world affairs; the absence of a centre, of a controling desk, of a board of directors, of a managerial office" (Bauman 1998: 58–59).[39] What he calls the "new expropriation" of the

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pessimism about the future developments in society and the economy related to globalization processes with the "hopeful" and "future-oriented" brand of philosophizing presented thus far. Somehow Rorty's "possible world", reminiscent of Orwell's *1984* and seen as a potentiality of globalization (and developed not so much as a "possible world" anymore in *inter alia* "Globalization, the Politics of Identity, and Social Hope" from his *Philosophy and Social Hope*, 1999) is as gloomy as Foucault's studies of the omnipresence and omnipotence of power from the 1970s. It is useful to give an example of Rorty's perception of the dark side of globalization here: "Globalization is producing a world economy in which an attempt by any one country to prevent the immiserization of its workers may result only in depriving them of employment. The world economy will soon be owned by a cosmopolitan upper class which has no more sense of community with any workers anywhere than the great American capitalists of the year 1900 had with the immigrants who manned their enterprises … This frightening economic cosmopolitanism has, as a by-product, an agreeable cultural cosmopolitanism … If the formation of hereditary castes continues unimpeded, and if the pressures of globalization create such castes not only in the United States but in all the old democracies, we shall end up in an Orwellian world … The aim will be to keep the minds of the proles elsewhere – to keep the bottom 75 per cent of Americans and the bottom 95 per cent of the world's population busy with ethnic and religious hostilities, and with debates about sexual mores. (Rorty 1998: 85–88). See also my recent paper on Rorty and American intellectuals (2003e).

[39] If we were trying to answer the question whether political, economic, and cultural globalization is (philosophically) modern or postmodern in Bauman's terms, the answer would certainly be that globalization is a postmodern phenomenon. There are numerous parallel accounts of postmodernity, and the present author was also involved in producing them (see especially Kwiek 2004a, 1998a, 1996, 1994), but in Bauman's vision the advent of postmodernity meant mainly the end of the modern era of *order*. Modernity was powered by a gigantic dream of implementing order in all

state means that, increasingly, states are no longer expected to perform most of their modern functions which provided the *raison d'être* of the nation state (Bauman 1998: 65) – which brings us back to the changing relationships between the state and higher education on the one hand and state-supported research on the other. What brings about such far-reaching consequences for the future of the nation-state is in exempting the *economy* from *political* control:

> No longer capable of balancing the books while guided solely by the politically articulated interests of the population within their realm of political sovereignty, the nation-states turn more and more into the executors and plenipotentiaries of forces which they have no hope of controling politically (Bauman 1998: 65).[40]

The separation of the economy from politics and the exemption of the economy from the regulatory intervention of politics, which was dominant for almost three decades of the second half of the 20th century under the dominance of the fully-fledged Keynesian welfare state model, results in what Bauman calls the "disempowerment of politics" as an effective agency. In his gloomy account, globalization makes it almost impossible to "re-forge social issues into effective collective action" (Bauman 1998: 68–69; see also Cerny's paper on the future prospects for collective action under globalization pressures, 1995). For Bauman, the future of the nation-state is doomed: the remaining question is what, if anything, is going to replace it as the primal source of social organization. The whole welfare state machinery accompanying it seems to be fatally ill, with no chance of recovery.[41] While discussing the despatialization of economic

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areas of human activities, including attaining knowledge for organizing societies. Universalistic attempts to introduce "order" underlay communist and German Nazi-led revolutions. The dream of well-ordered societies lay at the foundation of the attempts to physically liquidate those who e.g. possessed land or those who were not racially pure enough… (see Bauman's *Modernity and the Holocaust*, 1989). Globalization, by contrast, may be an era of a new global *dis*order, with all the accompanying social and political consequences.

[40] To put it simply, "states have much less control over what happens economically within their territories" (Opello and Rosow 1999: 233).

[41] His visions of the future of the welfare state are discussed separately in Chapter 5.

activities – freeing decision-making centers from territorial constraints, constraints of locality – he especially stresses the unprecedented disconnection of (economic) power from (social) obligations: space-free investors in various locations are free to move their company, restructure it or close it down at short notice. The company is free to move "but the consequences of the move are bound to stay. Whoever is free to run away from the locality, is free to run away from the consequences" (Bauman 1998: 8–9). Economic power under globalization becomes "bodiless", "extraterritorial" or "non-terrestrial" (Bauman 1998: 19). Bauman's reflections on a new social restratification into increasingly global mobile elites and the ever more local rest of our societies go hand in hand with Susan Strange's reflections on national loyalty under globalization pressures, Robert B. Reich's conceptualizations of the new class of "symbolic analysts" and Dani Rodrik's concerns about new social dividing lines.[42]

Robert B. Reich (former adviser to President Bill Clinton) in his controversial *The Work of Nations* also does not see a future for the nation-state under current conditions, even though he never uses the concept of globalization. The picture he paints sounds fully post-national (and very much an economic one), that goes against both the fundamental assumptions of (until recently) nation-state oriented disciplines of knowledge, and common everyday assumptions about nation-states and our roles in them. He shakes our common beliefs when he describes the world we are living in and the transformations it is, and will be, undergoing:

> We are living through a transformation that will rearrange the politics and economics of the coming century. There will be no national products or technologies, no national corporations, no national industries. There will no

[42] Rodrik in his already classic book *Has Globalization Gone Too Far?* argues that globalization is exposing "a deep fault line between groups who have the skills and mobility to flourish in global markets and those who either don't have these advantages or perceive the expansion of unregulated markets as inimical to social stability and deeply held norms. The result is severe tension between the market and social groups such as workers, pensioners, and environmentalists, with governments stuck in the middle" (Rodrik 1997: 2).

> longer be national economies, at least as we have come to understand that concept. All that will remain rooted within national borders are the people who comprise a nation. Each nation's primary assets will be its citizens' skills and insights (Reich 1992: 3).

The political challenge Reich describes is this slipping the bonds of national allegiance and disengagement from their fellow-citizens on the part of most mobile elites or (Bauman's) "globals". The question of "we" reappears as a locus of national aspirations: according to Reich's radical (and clearly economically-focused) account of American society (but with generalizations possible for other nations in advanced parts of the world as well), there is no longer any common national "we" to refer to. There is also, as we have stressed already a few times, no longer a common boat called the national economy – which was still the assumption in the 1970s. Citizens of the nation-state were used to the idea of being bound together by participating in and contributing to the benefits of the "national economy". The poorest and the wealthiest and those in between were believed to "enjoy the benefits of a national economy that is buoyant, and we all suffer the consequences of an economy in the doldrums" (Reich 1992: 4). Americans, as much as other nations, are no longer rising and falling together, as national economies rise and fall; Americans, as much as other nations, are increasingly in smaller boats, of which that of traditional routine production services is sinking rapidly, that of in-person services is sinking more slowly and that of "symbolic analysts" is the only one rising steadily (Reich 1992: 208). A common economic fate for citizens of nation-states today appears to be a myth[43]. Consequently, there is a need to rethink the

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[43] The services provided by large segments of the working population can more easily – due to globalization – be *substituted* by the services of other people in other countries, Rodrik argues. Consequently, globalization, bringing about this *substitutability*, "fundamentally transforms the employment relationship" (Rodrik 1997: 4, see also Ulrich Beck's *The Brave New World of Work*). Beck elsewhere provides an excellent example of Rodrik's "substitutability" of services: "It is ten o'clock in the evening. At Berlin's Tegel airport a slick-friendly voice informs the weary passengers that their flight to Hamburg is ready for boarding. But the voice does not come from inside the airport, or anywhere near it; the speaker is a women sitting in front of a

idea of citizenship in a global age: as not only corporations but also (some of the most mobile segments of) citizens become increasingly disconnected from their nations.[44] As Reich put it crudely,

> There is no longer any reason for the United States – or for any other nation – to protect, subsidize or otherwise support its corporations above all others. … Neither the profitability of a nation's corporations nor the success of its investors necessarily improve the standard of living of most of the nation's citizens. Corporations and investors now scour the world for profitable opportunities. They are becoming disconnected from their home nations (Reich 1992: 8).

In this view, the standard of living of citizens of nation-states increasingly depends on what they are able to contribute to the global economy – which depends on the worldwide demand for their skills and insights. Their competitive position in the world economy is going to increasingly depend on the function they are able to perform in it. Who is succeeding? Certainly those who "solve, identify, and broker new problems", the symbolic analysts (Reich 1992: 208). In this context, the role of the nation-state is immensely reduced to being the provider of fair rules for the economic game, of high-quality infrastructure and of educational opportunities to develop its citizens' skills and competences to make them competitive in a globalizing world. As Jean-Marie Guéhenno argues, current transformations to the economy "diminishes the value of space and increases the value of men. … Never has competence been as sought after, since it has become the object of competition at a global level" (Guéhenno 1995: 9).

For Guéhenno, the powerful economic, social and cultural forces (sometimes called globalization in the course of his book *The End of*

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console in California. The reasons are as simple as they are understandable: in California, no extra payment has to be made for late working because it is still daytime, and indirect labour costs are, in any case, lower than in Germany"… (Beck 1999b: 25). See also Carnoy, Castells and Benner on the employment practices in Silicon Valley (1997).

[44] Saskia Sassen introduces in this context the notion of "economic citizenship" which belongs to *firms and markets* and which is located not in individuals but in global economic actors. Consequently, the markets emerge as "a sort of global, cross-border economic electorate" (Sassen 1996: 42).

the Nation-State) have destroyed the conditions in which nation-states were formed. The age of the nation-states is over (Guéhenno 1995: x). Guéhenno stresses the historical dimension of the nation: a nation is the locus of a "common history of common misfortunes, and of common triumphs"; it is also the locus of a "shared destiny" (Guéhenno 1995: 4). In Guéhenno's strong formulations, the end of the nation and the end of the nation-state carry with them the "death of politics". The relationship of citizens to politics is in competition with the infinity of relationships they establish outside of politics. Consequently, with the end of the nation-state, politics appears as a "secondary activity" (Guéhenno 1995: 19). The "national interests" are threatened with extinction as politics is increasingly seen as an outcome of conflicting private interests which are professionally lobbied for. In contrast to the times when the nation-state was the principal point of reference, the social contract that preceded any outcome of private interests does not hold. As he argues,

> if the national collectivity is no longer a given but a choice, individuals no longer effectively have the means to base this choice on the same rational criteria that guide their actions in the functional management of the national interests. No economic law can replace the territorial and historical basis of the nation (Guéhenno 1995: 23).

The paradox of the global age is that the populations in general want to continue to be recognized as nations but nation-states are no longer able to protect their citizens from the uncertainties of the outside world: it is as impossible to "control" the world around them as it is to "ignore" it (Guéhenno 1995: 138ff). In this context, most of the forces unleashed by globalization are very hard to control for individual countries.

Another example from the globalist school of thought with respect to the nation-state is Martin Albrow. From among the globalists discussed here, Albrow (and Bauman) are by far the least economy-minded (and the least economics based). Albrow sees globalization as a "comprehensive social transformation". In *The Global Age. State and Society Beyond Modernity* he views our time as *radically different* from the past and us as entering a new age. The transition is from one

epoch to another. Both a sense of "rupture" with the past and the experience of "epochal change" characterize people's consciousness (Albrow 1996: 1–2, see also Albrow and Eade 1994). The Modern Age is a passing stage in history and ours is the Global Age; the Global Age involves the "supplanting" of modernity with globality. In his view, the total effect of globalization is a social transformation which "threatens the nation-state in a more extensive way than anything since the international working-class movement of the 19th century" (Albrow 1996: 5). The nation-state project lost its momentum and the welfare state has been challenged. The transition to the Global Age means for Albrow the emergence of a new political order: so far, nation-states have been central to the (philosophical and cultural) project of modernity. The crowning achievement of the project was "securing the union of state and society" (Albrow 1996: 163). The major problem is that together with the advent of globalization, society and the nation-state have "pulled apart". The modern union of the two is gone (which Guéhenno calls "the death of politics"). Albrow is explicit about the fate of the nation-state in the global age: "the modern nation-state is neither the only possible form of the state nor the crowning political achievement in human history" (Albrow 1996: 168).

The separation of society from the social relations of the citizens of the nation-state and from the nation-state is not complete but it is quite advanced. What other globalists describe in terms of disappearing national "loyalty", "allegiance" and "identity", or disappearing social and economic "solidarity" and "community" among the citizens of the nation-state, or in terms of a growing sense of rupture between the globally mobile and the locally tied, Albrow describes in terms of the decreasing "aspirations" and "attention" given by the citizens to their nation-state. Consequently, Albrow puts forward the idea of the "world state" which represents a new idea of the state and arises out of "delinking" the nation from the state (Albrow 1996: 173). He introduces such notions as "global citizenship" and "performative citizenship", as well as global citizens and performative citizens, whose links to the modern territorial nation-state are radically cut. What are the possible future relations between

the citizen and their state and between nations-states and the global state? In the context of the development of the global state, the nation-state would have to come to terms with a position of "modest subsidiarity". For global citizens, there are not many provisions that need to be made for them on the part of their nation-states, and nation-states should not be expecting much in return:

> it will be reassuring if leaders of the nation-state can guarantee the train timetable without asking for patriotic pledges in return (Albrow 1996: 183).

Finally, Kenichi Ohmae, one of greatest management gurus at the end of the 1980s, claims in *The End of the Nation State: The Rise of Regional Economies* that the old world has "fallen apart". The nation-state has begun to "crumble" and the older patterns of linkages between nations have begun to lose their dominance. Current changes are fundamental: nation-states have lost their role as "meaningful units of participation in the global economy of today's borderless world". Nation-states today have much less to contribute to the global economy and much less freedom to make contributions; in terms of the global economy, they have become "little more than bit actors". In the past, they may have been efficient engines of wealth production but in the new world order they have become "remarkably inefficient engines of wealth distribution" (Ohmae 2000: 207). They are "inescapably vulnerable" to economic choices made elsewhere – by people and institutions over which they have no practical control at all. Consequently, the nation-state is increasingly a "nostalgic fiction" (Ohmae 2000: 208). The relevance of nation-states as units of economic activity is declining, as is its relevance in cultural transformations, compared with global transformations in culture: the process of convergence is going faster and deeper than we could have ever imagined and is affecting our "worldview, mind-set, and even thought process" (Ohmae 2000: 210). The nation-state with its current mainly distributive functions and its sovereignty is a thing of a past, Ohmae has no hesitations about that.

Globalists have also included such famous strong critics of globalization as D.C. Korten (in *When Corporations Rule the World*, 1995) and Richard J. Barnet and John Cavanagh (in *Global Dreams.*

Imperial Corporations and the New World Order, 1997). Without discussing the two books much, let us merely refer to a few major points. Both are fully economistic in method and very alarmist in tone, with their views being shared by both radical Marxists and grassroots activists or promoters of antiglobalist campaigns:

> The emerging global order is spearheaded by a few hundred corporate giants, many of them bigger than most sovereign nations. … [T]he balance of power in world politics has shifted in recent years from territorially bound governments to companies that can roam the world. As the hopes and pretensions of government shrink almost everywhere, these imperial corporations are occupying public space and exerting a more profound influence over the lives of larger numbers of people (Barnet and Cavanagh 1997: 14).

Corporations "rule the world"; with their strategic visions, they have enough money and the technological means to undermine the effectiveness of national governments. They are the first secular institutions run by men, Barnet and Cavanagh argue, who think and plan "on a global scale". Leaders of nation-states are no longer able to comprehend, much less control, these giants as they are mobile and constantly "changing appearances to suit different circumstances". What we are witnessing today is a "tectonic shift", an "unprecedented political and economic happening". Consequently, the modern nation-state looks more and more like an "institution of a bygone era" (Barnet and Cavanagh 1997: 13, 20). The world economy is becoming increasingly integrated at the same time as the processes of political disintegration are accelerating – hence "there appears to be a direct connection between economic integration and political dissolution" (Barnet and Cavanagh 1997: 421). The world is facing an unprecedented authority crisis as national leaders are losing control over economic issues. But what is of crucial interest to us here is the state's ability to carry out its own national policies in the realms of welfare and education. Barnet and Cavanagh's picture is as gloomy as it can possibly be:

> The most disturbing aspect of this system is that the formidable power and mobility of global corporations are *undermining the effectiveness of national governments to carry out essential policies on behalf of their people*. Leaders of

> nation-states are losing much of the control over their own territory they once had. More and more, they must conform to the demands of the outside world because the outsiders are already inside the gates. Business enterprises that routinely operate across borders are linking far-flung pieces of territory into a new world economy that bypasses all sorts of established political arrangements and conventions. Tax laws intended for another age, traditional ways to control capital flows and interest rates, full-employment policies, and old approaches to resource development and environmental protection *are becoming obsolete, unenforceable, or irrelevant* (Barnet and Cavanagh 1997: 19, emphases mine).

3.3.2. The Skeptics

Let us pass on now to the second camp of thinkers who claim that, generally, nothing new has happened to the nation-state with the advent of globalization. In the most general terms, most of the skeptics refer to the statistical data of world flows of trade, investment and labor from the 19th century onwards and claim that the contemporary levels of economic interdependence are not historically unprecedented (or as Paul Hirst and Grahame Thompson put it, "the level of integration, interdependence, openness, or however one wishes to describe it, of national economies in the present era is not unprecedented"). Most of them rely on an *economistic* conception of globalization, equating it with an integrated global market. They conclude that contemporary globalization is exaggerated. In a brief description by Held et al., they consider the hyperglobalist thesis as "fundamentally flawed" and "politically naïve" since it underestimates the power of national governments to regulate international economic activity; they tend to disregard the presumption that economic internationalization might lead to the emergence of a new, less state-centric world order; and they point to the growing centrality of governments in regulating and promoting cross-border economic activity. They reject the "myth" that the power of national governments or state sovereignty is being currently undermined by economic internationalization or global governance and argue against the thesis of a convergence of macroeconomic and

welfare policies across the globe. As Held et al. conclude, "rather than the world becoming more interdependent, as the hyperglobalizers assume, the skeptics seek to expose the myths which sustain the globalization thesis" (see Held et al. 1999: 5–7).

John Gray, a famous British postliberal political philosopher, differs considerably from other skeptics with respect to the question of the impact of globalization on the nation-state. His theses are not economic and his views are not economistic but philosophical. While most skeptics discussed in this section argue that globalization is a myth, for Gray the integrated global free market is a utopia.[45] In *False Dawn. The Delusions of Global Capitalism*, Gray pronounces the "passing of social democracy", declares Keynesianism a "dead end" and views European social democracy as "belong[ing] to the past" (Gray 1998: 87, 99, 64). He views a single global free market as a "Utopia that can never be realized" and sees it as the Enlightenment project of a universal civilization in its "final form" (Gray 1998: 2, 3).[46] He differs from such prominent skeptics as Paul Hirst and Grahame Thompson in seeing the European welfare state as *finished*. For Hirst and Thompson in *Globalization in Question. The International Economy and the Possibilities of Governance*, globalization is a "necessary myth", a "myth suitable for a world without illusions but also one that robs us of hope". In their description, the difference between the 1950s and 1960s and the times of globalization is about our *hopes* for the future:

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[45] Or as Tom Conley in "The State of Globalisation and the Globalisation of the State" argues, the shift to economic liberal policies has been both an "economic strategy" and a "political project that has aimed to establish market governance and reshape public expectations about the role of the state" (Conley 2002: 462).

[46] It was Karl Polanyi who, during the Second World War, elaborated for the fist time on the utopian nature of self-regulating markets, not accompanied by universally available state-provided protection measures: "Our thesis is that the idea of a self-adjusting market implied a stark utopia. Such an institution could not exist for any length of time without annihilating the human and natural substance of society; it would have physically destroyed man and transformed his surroundings into a wilderness. Inevitably, society took measures to protect itself, but whatever measures it took impaired the self-regulation of the market, disorganized industrial life, and thus endangered society in yet another way. It was this dilemma which forced the development of the market systems into a definite groove and finally disrupted the social organization based upon it" (Polanyi 1957: 3–4).

> If the widespread consensus of the 1950s and 1960s was that the future belonged to a capitalism without losers, securely managed by national governments acting in concert, then the later 1980s and 1990s are dominated by a consensus based on contrary assumptions, that global markets are uncontrollable and that the only way to avoid becoming a loser – whether a nation, firm or individual – is to be as competitive as possible. The notion of an ungovernable world economy is a response to the collapse of expectations schooled by Keynesianism and sobered by the failure of monetarism to provide an alternative route to broad-based prosperity and stable growth (Hirst and Thompson 1996: 6).

Consequently, in their strong formulation, the political impact of globalization is the "pathology of over-diminished expectations". The myth of globalization "exaggerates the degree of our helplessness in the face of contemporary economic forces" (Hirst and Thompson 1996: 6). As the forces of globalization are not uncontrollable and not ungovernable – the project of the Western social democracy is still viable. This is exactly where John Gray disagrees with them. Hirst and Thompson, Gray argues, underestimate the uniqueness of the economic conditions of the last two decades, they are "trading in illusions" of social democracy being a viable option in the new global world order; the acceptance of the radical novelty of current economic conditions would spell death to their hopes of a "revamped social democracy" (Gray 1998: 67). Criticizing hyperglobalization theories (of e.g. Robert B. Reich and Kenitchi Ohmae), Gray argues that, first, they represent as inevitable what is highly unlikely, and they conflate the end-state favored by the globalization project with its actual development: "a borderless world ruled by homeless transnationals is a corporate Utopia, not a description of any present or future reality" (Gray 1998: 67).[47] In Gray's view, both globalists and skeptics alike present an "unreal" picture of the global setting in which states are operating (Gray 1998: 70). Nation-states today must now act in a world in which "all options are uncertain", and this uncertainty is "radical" and "continuing". Even the span of options available to them is uncertain (Gray 1998: 74–75). The most unmanageable forces

[47] In a similar vein, Ulrich Beck finds the final aim of current global changes in "the anarchistic market utopia of a minimal state" (Beck 2000a: 3).

spring from technological innovation and new technologies (even Susan Strange thought to remind social scientists about "the neglected factor – technology", Strange 1996: 7–9).[48] A truly global economy is being created by the global spread of new technologies, not by the spread of free markets (Gray 1998: 194). The "flood of invention" which drives the global economy cannot be controlled so that we are touched only by its benefits (Gray 1998: 206). What can be observed right now is not a competition between actually existing models of capitalism:

> It is a basic error to think that this is a contest that any of the existing models can win. All are being eroded and replaced by new and more volatile types of capitalism. The chief result of this new competition is to make the social market economies of the postwar period unviable while transforming the free-market economies that are its nominal winners (Gray 1998: 79).

In Gray's dramatic presentation, capitalism, no matter what we do, is becoming more and more volatile ("bad capitalism drives out good", or as the title of one of his essays runs: "How Global Free Markets Favour the Worst Kinds of Capitalism: a New Gresham's Law?"). Global capital markets make social democracy *unviable*. Where Gray grasps the nettle, as opposed to several skeptics discussed here, is his clear realization that we are *no longer living in closed economies*. And social democracy, especially European welfare state regimes, had presupposed closed economies. Many of the core policies of social democracy, Gray rightly argues, just cannot be sustained in open

[48] At the same time, as C. Peter Magrath recalls in "Globalization and its Effects on Higher Education Beyond the Nation-State", "universities generally have been ineffective in packaging and distributing their knowledge and information – in exploiting the new information technologies. That is one reason why so many new providers of knowledge, such as corporate-run universities, for-profit virtual universities, and individual entrepreneurs siphon off and buy the skills of American faculty members. Their knowledge and skills are then distributed digitally and through television courses and countless multimedia ways of delivering information… In this commodity- and consumer-driven market, which still requires the knowledge of higher education, it is probable that the traditional role of the faculty member will change substantially" (Magrath 2000: 254). Technology seems just impossible to resist, and as globalization is a structural change, its technological effects on higher education cannot easily be reversed or stopped.

economies. In open economies, Gray argues, egalitarian principles will be rendered unworkable – by the freedom of capital, including "human capital", to migrate (Gray 1998: 87–89).[49] Therefore, under current economic conditions, Continental Keynesianism is a "dead end" and "Europe-wide social democracy has been removed from the agenda of history" (Gray 1998: 98, 99). European social models cannot survive in their current forms.[50] But also, from a long and broad historical perspective, Gray argues, the free market is "a rare short-lived aberration" and regulated markets are the norm (Gray 1998: 211). The free market ideology is an expression of the recurring utopianism of Western civilization as it embodies Enlightenment ideals of a universal civilization. But it is a project which is destined to fail (Gray 1998: 234–235).

Paul Hirst and Grahame Thompson in *Globalization in Question. The International Economy and the Possibilities of Governance* stay mostly in the realms of economics. They present an argument against the idea that the international economy has become or is becoming "globalized". The major problems with globalization they point out are that few exponents of globalization have developed a coherent concept of the world economy in which supra-national forces are decisive; that there is no proof of the emergence of a distinctly

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[49] Gray understands the point that a "social democratic regime presupposed a closed economy. Capital movements were limited by fixed or semi-fixed exchange rates. Many of the core policies of social democracy cannot be sustained in open economies. … All social democratic theories of justice (such as John Rawls' egalitarian theory) presuppose a closed economy. … It is only within a closed system of distribution that we can know if the principles of justice dictated by such theories are satisfied. More practically, it is only in a closed economy that egalitarian principles can be enforced. In open economies they will be rendered unworkable by the freedom of capital – including 'human capital' – to migrate. Social democratic regimes presuppose that high levels of public provision could be funded unproblematically from general taxation. That proposition no longer holds" (Gray 1998: 89–90).

[50] As Zsuzsa Ferge argues in "Welfare and 'Ill-Fare' Systems in Central Eastern Europe", the European social model is not even promoted by Western EU countries in the new member states: "the essence of the 'European model' … is almost totally absent. Compounding this trend is the fact that the European Union does not seem particularly keen on enforcing the 'European model'" (Ferge 2001a: 149).

"global" economic structure; that there have been earlier periods of internationalized trade, capital flows and monetary systems, especially before the First World War; that truly global transnational corporations are relatively few; and, finally, that the prospects for regulation by international cooperation, for the formation of trading blocks and for the development of new national strategies that take into account internationalization are not exhausted (Hirst and Thompson 1996: 196). Leaving purely economic grounds, and thinking of the role of the nation-state and its sovereignty today, they seem to accept some theses promoted by globalists though:

> There is no doubt that the salience and role of nation states has changed markedly since the Keynesian era. States are less autonomous, they have less exclusive control over the economic and social processes within their territories, and they are less able to maintain national distinctiveness and cultural homogeneity (Hirst and Thompson 1996: 177).

The claim of nation-states to a monopoly of the means of legitimate violence within their territory is no longer definitive of their existence. The state has less control over ideas but it remains in control of its borders and of the movement of people crossing or not allowed to cross them (Hirst and Thompson 1996: 180–181). The crucial issue for Hirst and Thompson is what type of international economy exists at present or is coming into being. The evidence they produce is claimed to confirm that "there is no strong tendency toward a globalized economy and that the major advanced nations continue to be dominant. If that is so", they continue to argue, "we should ditch the over-fashionable concept of 'globalization' and look for less politically debilitating models" (Hirst and Thompson 185–186). Nation-states are no longer governing powers but still may be seen as loci from which forms of governance can be "proposed, legitimated and monitored". They are central because of their relationship to national territory and its population of nation-state citizens. They are, and will remain, central because they are also the primary source of law within a given territory. They are sources and "essential prerequisites" for the rule of law. While the power of nation-states as administrative and policy-making agencies has

declined, they argue, this does not mean that the law-making and constitutional order functions of states will decline in the same measure (Hirst and Thompson 1996: 190–192). The state is still the constitutional arbitrator and law-maker, and its role as a source of international law will increase.

Another skeptic, Linda Weiss in her *The Myth of the Powerless State* (1998) makes things clear indeed: "'Globalization' is a big idea resting on slim foundations. … But big ideas excite. This may partly explain why enthusiasm has transcended the evidence" (Weiss 1998: 212). The book questions the claims of state powerlessness and instead of state retreat suggests state *adaptivity*. It is based on an idea that the tasks of national economic management are not fixed and finite – but they are ever-changing (Weiss 1998: xi). The focus of the book, as is the case with that of Hirst and Thompson, is almost purely economic. The phenomenon of "state denial" is founded on the conception of a globalizing economy integrated by transnational capital and the market:

> As the twentieth century draws to a close, the notion of a "global" economy, dominated by stateless corporations and borderless finance, has captured the imagination of countless commentators (Weiss 1998: 2).

But the dominating notion is just wrong – the theses presented by globalization "enthusiasts" remain largely blind to the variety of state responses to the pressures of globalization (internationalization) and to both the sources and consequences of such a variety of state responses for national prosperity. Passive and ineffectual states are supposedly victims of external globalization forces but the reason for the dominance of this picture in the Anglo-Saxon social sciences is simple: its proponents "daily confront such a reality: that is to say, political institutions with weak capacities for *domestic* adjustment strategies" (Weiss 1998: 3). Weiss' major argument is that there is a fundamental difference between state decline and state adaptation (or its inability to adapt). The shift in tasks of the nation-state (military competition in the 18th century, industrialization from the 19th century onwards, and nation-building in the 20th century) did not mean the abandoning of the old, but the adding of new functions to the state.

Consequently, "failure to recognize or acknowledge adaptation has led too readily to the conclusion that the nation-state is in decline". Currently, nation-states are believed to be undergoing "the so-called challenge of 'globalization'". The author finds "little evidence" of genuine globalization and generally emphasizes state adaptivity instead of its diminution in an increasingly global environment (Weiss 1998: 9–13). The book attempts to demonstrate that the core of globalization in economic terms, the cross-border flows of products and people but first of all money, is hardly unprecedented and does not pose novel challenges. Thus the following questions receive negative answers in subsequent sections of the chapter on the "limits of globalization": the question of novelty – "how unprecedented are international flows?", the question of magnitude – "how big are the changes?" and "how 'transnational' are multinationals?" (Weiss 1998: 170–187). The final chapter seeks to show that the powerless state is merely a "myth":

> [it] seeks to show that the modern notion of the powerless state, with its accompanying reports about the decline of the welfare state and the death of industrial policy, is fundamentally misleading (Weiss 1998: 188).

Globalists in her view not only overstate the degree of state powerlessness but also overgeneralize it; the state is going to matter more rather than less, or, in a word, "the state is dead: long live the state", as the title of Chapter 1 runs.

Robert Boyer, Daniel Drache and most of the contributors to the influential book they edited, *States Against Markets. The Limits of Globalization* (1996) clearly reject the contention that the nation-state is in structural decline. As the editors state in the introduction,

> the embeddedness of economic institutions is essential for a strong economic performance. Hence the nation-state cannot be easily replaced by the market for any significant period since it is the only institution society has to organize itself, protect the social solidarity of its citizens and safeguard its social values which cannot be "traded" like commodities (Boyer and Drache 1996: 13).

Following other skeptics, they claim that globalization is not a totally new phenomenon. International forces will continue to influence

national policy decisions more than ever – but they will not form a "fully fledged alternative system" (Boyer and Drache 1996: 14). Even though over the last two decades the economic policy of every country seems to have lost most of its autonomy (public spending as well as monetary and tax policies being constantly under global scrutiny), such a state of affairs is neither desirable nor irreversible. While for four decades, no political party "dared question the need for market-correcting social programmes to protect their citizens against unregulated markets. Today, that is no longer the case" (Drache in Boyer and Drache 1996: 34). The global bulldozer is intent on building a new world order on the ruins of once-powerful national economies. The new state is dubbed "the K-Mart" state by Drache and the term is emblematic of the new world of the "causal, part-time low-wage, non-unionized service sectors of the economy" (Drache 1996: 36). But both Drache and Robert Boyer challenge the omnipotence of the market, especially as a major co-coordinating mechanism within our societies. The state has been (as Karl Polanyi most clearly depicts in his *The Great Transformation*) and still is "the most powerful institution to channel and tame the power of markets" (Boyer in Boyer and Drache 1996: 108). The market itself is not able to create the requisites which could guarantee the state's long-term efficiency. Consequently, Boyer expects (Polanyi's) second great transformation, from pro-market and conservative economic strategies towards state interventions, more social solidarity policies and rejuvenated state intervention in such domains such as taxation, welfare, innovation and education. The impact of globalization on the nation-state is expressed through more reliance on the market but it seems clearly reversible. The 21st century is going to be the era of nation-states in charge of "disciplining and taming the markets" (Boyer 1996: 109–111).

The general attitude of almost all contributors to the volume (with the notable exception of e.g. Ramesh Mishra whose ideas about the future of the welfare state are discussed separately in Chapter 4) is that globalization theses are exaggerated and the return to (refined) Keynesianism is still possible, despite the fact that globalization is seriously redefining the role of the nation-state as a manager of the

national economy. The triumph of von Hayek over his rival Keynes is not the case, but we certainly need to reread Polanyi again and again, they suggest. Their common view can be summarized in a sentence from Boyer and Drache: "what has been done during a decade of deregulation can be undone or reversed. After all, markets are organized by public intervention and not the reverse" (Boyer and Drache 1996: 3).

Stephen D. Krasner in turn, approaches the issue of the impact of globalization on the nation-state and the apparent loss of autonomy and sovereignty of the latter from a different angle and puts forward a thesis that the Westphalian model of the nation-state has never been "an accurate description" of what states have actually been in their varieties. The Westphalian model has been merely a conventional point of reference.[51] The thesis in "Compromising Westphalia" runs as follows:

> The assumption that states are independent rational actors can be misleading because it marginalizes many situations in which rulers have, in fact, not been autonomous. Moreover, the conclusion that sovereignty is now being altered because the principles of Westphalia are being transgressed is historically myopic. Breaches of the Westphalian model have been an enduring characteristic of the international environment because there is nothing to prevent them. … There has never been some golden age of the Westphalian state. The Westphalian model has never been more than a reference point or a convention (Krasner 2000: 124).

This means that rulers have in fact always had the option of violating the Westphalian principles of political authority, based on territory and autonomy. According to Krasner, the claim that the contemporary system represents a "basic transformation" of the traditional Westphalian state order because sovereignty seems to be at risk is "not well-founded": it ignores the fact that violations to the

[51] In a similar vein, Sylvia Walby argues in "The Myth of the Nation-State: Theorizing Society and Polities in a Global Era" that the nation-state is more "mythical" than "real". Nation-states have been actually very rare as existing social and political forms. They may be widespread as imagined communities or aspirations but their existence as social and political practice is "much over-stated. There are many states, but very few nation-states" (Walby 2003: 529–530).

principles of territoriality and autonomy "have been an enduring characteristic of the international system before and after the Peace of Westphalia" (Krasner 2000: 129). The conclusion in his "Abiding Sovereignty" paper is that over the several hundred years during which the rules of sovereignty have been widely understood, state control "could never be taken for granted. States could never isolate themselves from the external environment. Globalization and intrusive international norms are not new phenomena" (Krasner 2001b: 248). There is nothing unique in what globalization brings about, according to Krasner: states have never been able to perfectly regulate transborder flows, international capital flows were important in the Middle Ages, the Asian flu of the late 1990s was hardly the first international financial crisis, capital market integration was very high at the end of the 19th century, international migration rates reached their highest levels in history during the 19th century, international trade also increased rapidly then, etc (Krasner 2001b: 233–236). It is certainly too early to speak of the end of the sovereign-state system: there are new challenges to conventional rules but they will not displace sovereignty (Krasner 2001b: 245).

Skeptics tend to reject the hypothesis put forward by globalists that what we are witnessing is the emergence of a new, less state-centric world order. They stress *the growing centrality of states*. States are not the "victims" of globalization but its "midwives" (Weiss). Neither global governance nor economic liberalization and internationalization seems to be undermining the sovereignty of nation-states and their autonomy in determining the course of national welfare, tax and social policies.

3.3.3. The Moderates

The third position taken with respect to the impact of globalization on the nation-state is represented by such different scholars as e.g. Anthony Giddens, Jan Aart Scholte, Manuel Castells, Saskia Sassen, James N. Rosenau, as well as David Held, and Anthony McGrew (and this is the view I support). What is happening to the power of the nation-state

according to the moderates? Let us refer to the varied descriptions of various authors to see the scope of the phrases used: under the impact of current patterns of globalization, the power of the state is "repositioned", "recontextualized", "transformed", "reconstituted", "re-engineered", "restructured", "displaced", "rearticulated", "relocated", "re-embedded", "decentered", "reconfigured", "reshaped", "eroded" etc. This is certainly a good indication of the level of complication at which the moderates differ among themselves and from mere globalists and skeptics alike. Before passing on to a brief discussions of individual authors, let us present David Held and his colleagues' description of this line of thinking:

> At the heart of the transformationalist thesis is a conviction that, at the dawn of a new millennium, globalization is a *central driving force* behind the rapid social, political and economic changes that are reshaping modern societies and world order. ... [G]lobalization is conceived as a powerful transformative force which is responsible for a "massive shake-out" of societies, economies, institutions of governance and world order. ... [T]he direction of this "shake-out" remains uncertain, since globalization is conceived as *an essentially contingent historical process* replete with contradictions. At issue is *a dynamic and open-ended conception of where globalization might be leading* and the kind of world order which it might prefigure. In comparison with the sceptical and hyperglobalist accounts, the transformationalists make no claims about the future trajectory of globalization; nor do they seek to evaluate the present in relation to some single, fixed ideal-type "globalized world", whether a global market or a global civilization. Rather, transformationalist accounts emphasize globalization as a long-term historical process which is inscribed with contradictions and which is significantly shaped by conjunctural factors. Such caution about the exact future of globalization is matched, nonetheless, by the conviction that contemporary patterns of global economic, military, technological, ecological, migratory, political and cultural flows are *historically unprecedented* (Held et al. 1999: 7, emphases mine).

In the most general terms, the moderates (or transformationalists) do not expect the arrival of a single world society nor do they find evidence for global convergence in economy, politics and culture. On the contrary, they stress "new patterns of global stratification" in

which some states and societies are becoming central, and others marginal in the global order. At the core of their convictions, as Held summarizes them, is a belief that globalization is reconstituting the power, functions and authority of national governments (while economic activity becomes increasingly deterritorialized due to production and finance acquiring global and transnational dimensions). They reject both "the hyperglobalist rhetoric of the end of the sovereign nation-state and the skeptics' claim that 'nothing much has changed'". Territorial boundaries have become "increasingly problematic", and sovereignty, state power and territoriality stand today in a "more complex" relationship than in the epoch during which the modern nation-state was forged. New non-territorial forms of economic and political organization have emerged such as e.g. multinational corporations, transnational social movements and international regulatory agencies. The world is no longer purely state-centric or even primarily state-governed – as authority has become increasingly diffused among public and private agencies at all levels. Globalization brings about, rather than the "end of the state", a whole spectrum of adjustment strategies: the power of national governments is being "reconstituted and restructured" in response to the growing complexity of the processes of governance (Held et al. 1999: 9). Jan Aart Scholte describes the moderate stance as the one from which "globalization is indeed a distinctive and important development in contemporary world history. However, its scale and consequences need to be carefully measured and qualified. Nor is globalization the only, or always the most significant, trend in today's society" (Scholte 2000: 18).

David Held and his colleagues in their *Global Transformations* claim that the contemporary globalization of politics is transforming "the very foundations of world order" by reconstituting traditional forms of sovereign statehood and reordering international political relations. But these transformations are neither historically inevitable, they stress, nor fully secure. As a result,

> The contemporary world order is best understood as a highly complex, contested and interconnected order in which the interstate system is increasingly embedded within evolving regional and global political

> networks. The latter are the basis in and through which political authority and mechanisms of governance are being articulated and rearticulated (Held et al. 1999: 85).

They introduce a fourfold periodization of globalization: premodern (9,000–11,000 years ago), early modern (ca. 1500–1850), modern (ca. 1850–1945) and contemporary globalization. For our purposes here, it will suffice to discuss contemporary globalization only. Against many skeptics, they argue that contemporary globalization is a distinctive historical form of it rather than a return to nineteenth-century forms of globalization. In nearly all domains contemporary globalization has not only quantitatively surpassed its earlier forms but also displayed "unparallel qualitative differences". The contemporary era represents a "historically unique confluence or clustering of patterns of globalization" in all domains, including politics, law governance, military affairs, and culture, as well as in all domains of economic activity and in shared global environmental threats. There is only a single potential hegemonic power – the United States – they argue. Although important continuities do exist with previous phases of globalization, contemporary globalization is a "distinctive historical form" which is a product of a "unique conjuncture of social, political, economic and technological forces" (Held et al. 1999: 424–429).

Contemporary globalization does not prefigure the demise of the nation-state, the moderates claim. But this structural shift should not be taken to suggest, as some globalists do, that globalization is a linear historical process: it is not an "automatic or self-regulating process", Held et al. claim. Advanced capitalist states are undergoing a profound transformation as their powers, roles and functions are "rearticulated, reconstituted and re-embedded at the intersection of globalizing and regionalizing networks". Yet "the metaphors of the loss, diminution or erosion of state power can misrepresent this reconfiguration or transformation".

Economic globalization is transforming "the conditions under which state power is exercised". The impact of globalization on the nation-state is not experienced uniformly by all states; it is mediated by a state's position in the global political, military and economic

hierarchies; its domestic economic and political structures; the pattern of domestic politics, as well as specific government and societal strategies to cope with globalization (Held et al. 1999: 440–441). The consequences of the ongoing transformation of the Westphalian order – of state sovereignty and autonomy – are different for different states. The impact of financial globalization on national macroeconomic policies is more radical though. This is an example of the impact not on sovereignty *per se* but on autonomy:

> the de jure entitlement to rule is not challenged fundamentally by financial globalization, but the de facto autonomy of states to establish and pursue their own policy preferences certainly is. … Globalization has not led to a simple increase or a simple decrease in the autonomy or choices of states. *But the costs and benefits of different policies have unquestionably been altered* (Held et al. 1999: 443, emphasis mine).

The manner in which global financial markets operate have "profound implications for national sovereignty and autonomy" (Held et al. 1999: 228).[52] National sovereignty and national autonomy have to be thought of as "embedded within broader frameworks of governance in which they have become but one set of principles, among others, underlying the exercise of political authority" (Held et al. 1999: 442–444).

What, as a result, is the power of national governments in their view? The answer is that

> The idea of the government of the state, democratic or otherwise, can no longer be simply defended as an idea suitable to a particular closed political community or nation-state. … For *the locus of effective political power can no longer be assumed to be national governments – effective power is shared, bartered and struggled over by diverse forces at national, regional and global levels.* In other words, we must recognize that political power is being repositioned, recontextualized and, to a degree, transformed by the growing importance of

[52] As they argue, global financial markets are conceived as central to "inducing a convergence of political and social agendas among governments of varied ideological persuasions to 'market friendly' policies: a general commitment to price stability; low public deficits and indeed expenditure, especially on social goods; low direct taxation; privatization and labour market deregulation" (Held et al. 1999: 85).

> other less territorially based power systems (Held et al. 1999: 447, emphasis mine).

Consequently, the world is being transformed into a common social space and events in one part of it may have an immediate impact on other parts of the world. This is exactly where not so much the *sovereignty* of nation-states is affected but their *autonomy*.

An extremely interesting line of argumentation about the transformations of the sovereignty and autonomy of contemporary nation-states under the influence of globalization has been presented by Saskia Sassen in her two books, *Losing Control? Sovereignty in an Age of Globalization* and *Globalization and Its Discontents*. The growth of a global economy plus new telecommunications and computer networks have profoundly reconfigured institutions fundamental to the processes of governance and accountability in the modern state, Sassen argues. State sovereignty and the institutional apparatus in charge of regulating the economy (central banks, monetary policies) are being "destabilized" and "transformed" under the pressures of globalization and new technologies. Consequently, Sassen's main argument is:

> [G]lobalization under these conditions has entailed a *partial denationalizing of national territory* and a partial shift of some components of state sovereignty to other institutions, from supranational entities to the global capital market (Sassen 1996: xii, emphasis mine).

Economic globalization has transformed both the territoriality and sovereignty of the nation-state (it may have an impact on citizenship as well – and Sassen introduces the provocative notion of "economic citizenship" that belongs to firms and markets, mostly corporate global economic players). What is crucial to her argumentation is that the state itself has been deeply involved in the implementation of the laws and regulations necessary for economic globalization.[53]

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[53] Sassen develops the theme of "denationalized state work" elsewhere by saying, "one of the roles of the state vis-à-vis economic globalization has been to negotiate the intersection of national law and the activities of foreign actors – whether firms, markets or supranational organizations – in its territory as well as the activities of national economic actors overseas" (Sassen 2003a: 7).

Globalization has therefore been accompanied by the creation of new legal regimes, especially for international commercial arbitration, along with institutions that perform ratings and advisory functions. Transnational commercial disputes are resolved by the former. As Sassen comments on the new private legal regimes that have emerged together with globalization,

> International commercial arbitration is *basically a private justice system*, and credit-rating agencies are private gate-keeping systems. ... With other institutions, they have emerged as important governance mechanisms whose authority is not centered in the state. The current *relocation of authority* has transformed the capacities of governments... (Sassen 1996: 17, emphases mine).

All the new transnational legal regimes that have emerged, centered in Western economic concepts as both standards for the regulation of financial systems and standards for reporting financial information etc, are currently American. Consequently, American business law has become "a kind of global *jus commune*" (Sassen 1996: 21). The nation-state itself (in Western advanced democracies) is becoming reconfigured as it is directly involved in this emerging transnational governance system. The state legitimates a new global doctrine about its new role in the economy – and what is central to this doctrine is a consensus among states to continue globalization, to further the growth of the global economy (Sassen 1996: 23). An important issue, Sassen argues, is that global capital has made claims on nation-states, so they have responded through the production of new forms of legality (accepting new transnational legal regimes). Nation-states decided to pursue globalization with its new forms of legality but we need to remember that national legal systems are still crucial as they enforce the guarantees of contracts and property rights.[54] Even the

[54] The emergent consensus in the community of states to further globalization is not merely a political decision: Sassen argues in "Globalization or Denationalization?" that it entails "specific types of *work* by a large number of state institutions in each of these countries". These are legislative measures, regulations, executive orders, and court decisions, enabling foreign firms to operate in their territories, their own firms to operate abroad and markets to become global. This, sometimes imposed, consensus is not just a decision: it entailed "new state practices which changed the actual work of

developing countries, in which various austerity policies and structural adjustment programs are imposed, actually further the goals of globalization: these policies "have to be run through national governments and reprocessed as national policies. It is clearer here than in other cases that *the global is not simply the non-national, that global processes materialize in national territories and institutions*" (Sassen 1996: 113, emphasis mine). Therefore in Sassen's view it is highly problematic to define the nation-state and the global economy as mutually exclusive.[55]

Consequently, the nation-state in Sassen's account is not merely declining in significance: the state is a key agent in the implementation of global processes and now it is quite altered by this participation. The form and content of this participation obviously varies between highly developed and developing countries. Sassen refers to the "beginning of an unbundling of sovereignty as we have known it for many centuries" – sovereignty is not "collapsing" but rather "eroding" and "being transformed". Economic globalization has "reconfigured the intersection of territoriality and sovereignty", and this reconfiguration is partial, selective and strategic (Sassen 1996: 30–31). The powers historically associated with the nation-state have been taken on by global financial markets on the one hand and the new covenants on

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states" (Sassen 2003a: 8). In a similar vein, governments in transition countries, including new EU members, spent a considerable amount of time and energy on harmonizing its legislation, jurisdiction etc with both the EU and global requirements. Whether the consensus on the furthering of globalization is imposed or not is another issue; there is a general sense of the consensus serving, be it even in the long run, national interests. State institutions today, Sassen argues, must all "contribute to reorient their particular policy work or, more broadly, state agendas towards the requirements of the global economy. This then raises the question about what is 'national' in these institutional components of states linked to the implementation and regulation of economic globalization" (Sassen 2003a: 9). Finally, it changes the answer to the question – what are states for?

[55] In a parallel manner, Tom Conley argues in "The State of Globalisation and the Globalisation of the State" about the states' role in introducing and maintaining globalization: states, especially in the developed world, have "actively supported" globalization and its progress remains "substantially dependent" on state support. The state remains "the pre-eminent structuring agent in the world political economy" (Conley 2002: 466).

human rights on the other (see Kwiek 2004d). They are very different from each other. Global capital markets represent a

> concentration of power capable of influencing *national government economic policy and, by extension, other policies as well.* These markets now exercise the accountability functions associated with citizenship: they can vote governments' economic policies down or in; they can force governments to take certain measures and not others. Investors vote with their feet, moving quickly in and out of countries, often with massive amounts of money (Sassen 1996: 42, emphasis mine).

This is exactly the point where tax, welfare and, by extension, educational and research and development policies will be influenced and transformed. Historically, educational policies were largely national policies; currently, they seem to be a part of much broader, and mostly economic, policy packages. The "economic electorate" that Sassen provocatively introduces to the discussion has the right to vote (with their feet) on most policies that were previously national. This is one of the strategic points in which we can clearly see *why education and research, and higher education and university research in particular, are not isolated islands.* They are under constant scrutiny, as a small part of national economic policies. Sassen calls the function that global capital market exercises on national governments "disciplining" and concludes: "when it comes to public spending, governments are increasingly subject to outside pressures" (Sassen 1996: 48). This "new geography of power" is further discussed in *Globalization and Its Discontents* (1998). Sassen emphasizes that globalization and deregulation have reduced the role of the state but the state still "remains as the ultimate guarantor of the rights of capital", guaranteeing property rights and contracts (Sassen 1998: 198). No other institutional arrangements can replace it in its technical administrative capacity, and it continues to play a crucial role in the "production of legality" for new forms of transnational economic activity (Sassen 1998: 200).[56] Thus, the transformations of the nation-

[56] To introduce new ideas about which areas of state intervention to maintain, and which to withdraw from in the future – preserving public trust at the same time – is what Yergin and Stanislav in their *The Commanding Heights. The Battle Between*

state are unprecedented and the impact of globalization on its forms, roles and functions is very significant indeed.

Another moderate, Manuel Castells, in his magisterial trilogy, *The Information Age: Economy, Society and Culture*, presents a wide panorama of the current transformations to our societies caused by today's technological revolution, centered around information technologies, and the global interdependence of economies. Social changes are as dramatic as the technological and economic processes of transformation, he argues.[57] Information technology has been instrumental in allowing the restructuring of the capitalist system from the 1980s onwards. The trilogy studies a new social structure associated with the emergence of a new mode of development – "informationalism" (Castells 1996: 14). The processes in technology, finance, production, communications and politics are "radically new" (Castells 1998: 244) and Castells, against those who claim that globalization is not a new phenomenon (as exemplified above by the skeptics in this chapter), states that he is not convinced that the new infrastructure based on information technology does not introduce a "qualitative social and economic change, by enabling global processes to operate in real time" (Castells 1997: 244). At the dawn of the Information Age,

> a crisis of legitimacy is voiding of meaning and function the institutions of the industrial era. Bypassed by global networks of wealth, power, and information, the modern nation-state has lost much of its sovereignty. By

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Government and the Marketplace That Is Remaking the Modern World call a "challenge of imagination": "After all, there is no market without government to define the rules and the context. *The state creates and maintains the parameters within which the market operates*. And that is the new direction. The state accepts the discipline of the market; government moves away from being producer, controller, and intervener, whether through state ownership or heavy-handed regulation. The state as manager is an increasing laggard in the competitive, mobile economy. Instead, government shifts towards being a referee, setting the rules of the game to ensure, among other things, competition" (Yergin and Stanislaw 2000: 321, emphasis mine).

[57] To quote Martin Carnoy: globalization brings about a "revolution in the organization of work, the production of goods and services, relations among nations, and even local culture. No community is immune from the effects of this revolution. It is changing the very fundamentals of human relations and social life" (Carnoy 1999: 14).

> trying to intervene strategically in this global scene the state loses capacity to represent its territorially rooted constituencies (Castells 1997: 354).

The modern nation-state seems to be losing on both fronts, global and domestic, vis-à-vis global actors and vis-à-vis their citizens. State control over space and time is bypassed by global flows of capital, goods, services, technology, communication, and information such that national identity is being challenged by the plural and hybrid identities of citizens. The modern nation-state "seems to be losing its power, although, and this is essential, *not its influence*" (Castells 1997: 243). The challenge to state sovereignty seems to originate, Castells argues, from its inability to navigate between the "power of global networks" and the "challenge of singular identities". According to Giddens' definition of the nation-state, referred to at the beginning of this chapter, a nation-state is a "bordered power-container". What happens, Castells asks, and how should we conceptualize the state, when borders break down, and when containers are becoming contained themselves? Giddens' nation-state "appears to be superseded by historical transformation" and its instrumental capacity is *decisively undermined* by globalization (Castells 1997: 244).

In economic terms, the interdependence of financial markets and currency markets link up national currencies; the exchange rate between the main currencies of the world is systematically interdependent, and so are, or will be, monetary policies; and if monetary policies are somehow harmonized, so are, or will be prime interest rates, and ultimately, budgetary policies: it follows that nation-states are losing and will lose control over "fundamental elements" of their economic polices. So the degree of freedom for national economic policy has been "drastically reduced" since the 1990s, with their budget policy caught between automatic welfare entitlements inherited from the past – as discussed in Chapter 4 on the transformations of the welfare state – and current high capital mobility (Castells 1997: 246). The globalization of production and investment threatens also the welfare state – probably the main "building block" for the legitimacy of the nation-state (Castells 1997: 243). The contradiction between the internationalization of investment, production, and consumption on the one hand, and the

national basis of taxation systems, on the other, is growing (at the same time, as repeated constantly in globalization literature, "a basic premise of current welfare policy-making is that taxes cannot be raised", Bonoli et al. 2000: 72). The decline of the nation-state is closely linked to the decline of the welfare state. The two processes are interrelated because they are the twins of modern social organization. Castells links the two processes and claims that

> In an economy whose core markets for capital, goods and services are increasingly integrated on a global scale, *there is little room for vastly different welfare states*, with relatively similar levels of labor productivity and production quality. Only a global social contract (reducing the gap, without necessarily equalizing social and working conditions) linked to international tariff agreements, could avoid the demise of the most generous welfare states. Yet, because in the new liberalized, networked, global economy such a far-reaching social contract is unlikely, *welfare states are being downsized to the lowest common denominator that keeps spiralling downwards*. So doing, *a fundamental component of the legitimacy and stability of the nation-state fades away*, not only in Europe but throughout the world (Castells 1997: 254, emphases mine).

Consequently, the nation-state is doomed because it is increasingly powerless in controlling monetary policies, deciding its budget, collecting its corporate taxes and fulfilling its commitments to provide social benefits to its citizens. In sum, the state has lost its *economic* power, even though it retains some *regulatory* capacity, as in Saskia Sassen's diagnoses about the state basically having one final thing to do: producing new legal regimes for the global age in national settings (Castells 1997: 254). At the same time, the citizens for whose well-being nation-states are responsible are not the former subjects of territorially-bounded states; they have diversified interests and conflicting loyalties; their identities are hybrid and often incommensurable with one another. Consequently, the nation-state is unable to respond to their conflicting claims and contradictory demands. As Castells argues,

> [T]he increasing diversification and fragmentation of social interests in the network society result in their aggregation under the form of (re)constructed identities. Thus, *a plurality of identities forwards to the nation-state the claims*,

> *demands, and challenges of the civil society. The growing inability* of the nation-state to *respond simultaneously* to this vast array of demands induces what Habermas called a "legitimation crisis" or, in Richard Sennett's analysis, "the fall of the public man", the figure that is the foundation of democratic citizenship (Castells 1997: 271, emphases mine).

In normative terms, like Zygmunt Bauman in his recent books about modernity (*Modernity and the Holocaust* in particular), Castells has no particular sympathy for modern nation-states as in the 20th century they have mobilized their people for reciprocal mass slaughter.

In the new world order, the nation-state is just one of the sources of authority. It is submitted to competition by other, undefined and sometimes indefinable, sources of power. So, "while the nation-states do continue to exist … they are, and they will increasingly be, *nodes of a broader network of power*". They have become part of a network of powers and counter powers and they are "powerless by themselves: they are dependent on a broader system of enacting authority and influence from multiple sources". However, it does not follow that they have become irrelevant or that they will disappear. They will not, at least for a long time (Castells 1997: 304–305).

Anthony Giddens, another transformationalist, in his *Runaway World. How Globalisation Is Reshaping Our Lives*, argues that we are living through a major period of historical transition. The world in which we are living today seems more and more out of our control – it is a runaway world. Globalization is restructuring the ways in which we live in a "very profound manner" (Giddens 1999: 1–4). The current world economy has no parallels in history. Consequently, globalization is "not only new, but also revolutionary". But it should not be seen in solely economic terms but rather in political, technological, cultural, as well as economic terms (Giddens 1999: 10). Nation-states are still powerful, yet at the same time they are being "reshaped" before our eyes. National economic policy cannot be as effective as it once was (Giddens 1999: 18). Globalization is not incidental: it is the way we now live, Giddens argues. As Will Hutton claims, in a conversation with Anthony Giddens, there is a sense that change is all-encompassing and carries a new inevitability, the force of change is "close to irresistible" (Hutton and Giddens 2000: 2). To

Giddens, as a proponent of third way politics, the reform of government and the state is the first priority: the state should not dominate either markets or civil society although it needs to regulate and intervene in both (Giddens 2001a: 6). Welfare reform in most societies is an "absolute necessity", although in practice it is difficult. The current welfare state developed in an era when neither the risks to be covered, nor the groups in most need, are the same (Giddens 2001a: 11).[58] A new social contract needs to be constructed. The state should not have more and more tasks to cope with as an overloaded, bureaucratic state is unlikely to provide good public services and would be dysfunctional for economic prosperity. Consequently, a fundamental theme of his third way politics is "rediscovering an activist role for government, restoring and refurbishing public institutions" (Giddens 2001a: 6). The state has to be strong but not large; and an effective market economy is the best way of promoting prosperity and economic efficiency. The role of markets must be kept confined though:

> Where the market is allowed to intrude too far into other spheres of social life, a variety of unacceptable consequences result. Markets create insecurities and inequalities that require government intervention or regulation if they are to be controlled or minimized. Powerful agents within the marketplace can subvert democratic processes. Commercialism can invade areas that should either be the province of government or civil society (Giddens 2001a: 7).

Such authors as Fritz Scharpf (in his widely reprinted "Negative Integration: States and the Loss of Boundary Control") and John Gerard Ruggie (in such papers as e.g. "International Regimes, Transactions, and Change: Embedded Liberalism in the Postwar Economic Order" or "Globalization and the Embedded Liberalism Compromise: the End of the Era?") stress the idea that the economic space of the nation-state and national territorial borders no longer

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[58] The entry into Ulrich Beck's *Risikogesellschaft* occurs at the moment when "the hazards which are now decided and consequently produced by society *undermine and/or cancel the established safety systems of the welfare state's existing risk calculations*" (Beck 1999a: 76, emphasis mine).

coincide. Consequently, the postwar "embedded liberalism compromise" – the social contract between the state, market, and labor – does not work anymore as it was designed to work within closed national economies. Scharpf argues that in the history of capitalism, the decades following the Second World War were "unusual in the degree to which the boundaries of the territorial state had become coextensive with the boundaries of markets for capital, services, goods and labor" (Scharpf 2000a: 254). Investment opportunities existed mainly within *national* economies and firms were mainly challenged by *domestic* competitors. At the time, however, when major European welfare state regimes were being constructed, it was not fully realized how much the success of "market-correcting policies" depended on the capacity of the territorial nation-states to control their economic boundaries. Under the forces of globalization, though, this controlling capacity was lost. "The 'golden years' of the capitalist welfare state came to an end" (Scharpf 2000a: 255). The social contract which had allowed the nation-states in advanced capitalist countries to be accompanied by a welfare state originated right after the Second World War. With the advent of globalization, it is eroding. The compact between state and society in postwar territorially-bounded national democracies was intended to mediate the deleterious domestic effects of postwar economic liberalization (and was based on Enlightenment beliefs in scientific solutions to social problems[59]). John Gerard Ruggie was already calling this compromise the "embedded liberalism compromise" in 1982. Referring to Karl Polanyi's distinction between "embedded" and "disembedded" economic orders, he suggested the following definition:

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[59] Anthony Welch in his paper on "Globalisation, Post-modernity and the State: Comparative Education Facing the Third Millennium" rightly observes that "the post-war certainties … were largely based on the supposedly secure and safe bedrock of scientific (or scientistic) epistemologies and an unproblematised modernity. These assumptions, directly traceable to the influence of a somewhat naïve Enlightenment optimism about the perfectibility of society, using the methods and techniques of the newly emerging sciences which were already showing such promise in the natural world, have been eroded. At the onset of a new millennium, such confidence has passed. We live in 'new times'" (Welch 2001: 486).

> The essence of embedded liberalism … is to devise a form of multilateralism that is compatible with the requirements of domestic stability. … Governments … also promised to minimize socially disruptive domestic adjustment costs as well as any national economic and political vulnerabilities that might accrue from international functional differentiation (Ruggie 1982: 399).

This postwar compromise assigned specific policy roles to national governments – which governments are increasingly unable, or unwilling, to perform today.[60] One of the indirect effects of globalization is its impact on the ability of the state to "live up to its side of the postwar domestic compact" (Ruggie 1997: 2). The emergence of global capital markets posed entirely new policy problems. The existing systems of supervision and regulation, systems of taxation and accounting, were created for a "nation-based world economic landscape" (Ruggie 1997: 2). But economic policies are becoming increasingly denationalized and the state is increasingly unable, or unwilling, to keep its promises from the Golden Age of the welfare state.[61] And the welfare state has traditionally been one of the

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[60] This is how David Held and colleagues comment on the difference between prewar and postwar international financial order: "Unlike the classical Gold Standard, the postwar international financial order – the Bretton Woods System – was designed to ensure that domestic economic objectives were not subordinated to global financial disciplines but, on the contrary, took precedence over them" (Held et al. 1999: 200).

[61] It is extremely hard to keep promises from the Golden Age of the welfare state while "fiscal termites" are gnawing at the foundations of the fiscal house in all major developed economies. Vito Tanzi argues that the most direct and powerful impact of globalization on the welfare state will probably come *through its effect on tax systems*: "for the time being there is little, if any, evidence that the tax systems of the industrial countries are collapsing. On the contrary, for the majority of these countries the level of taxation is at a historical high. However, in most countries in recent years, the tax level has stopped growing and, in a few, there has actually been some decline. … While the fiscal house is still standing and looks solid, one can visualize many fiscal termites that are busily gnawing at its foundations". These include: increased travel by individuals (shopping in places where sales taxes are lower); increased activities on the part of some highly skilled individuals conducted outside of their countries (underreporting or not reporting at all their foreign earnings); a growing use of electronic commerce and electronic transactions in general (largely taking place outside of the tax system); the growing importance of off-shore companies and tax-

main pillars in the appeal of nation-state construction. As Ruggie describes the process,

> The postwar international economic order rested on a *grand domestic bargain*: societies were asked to embrace the change and dislocation attending international liberalization, but the state promised to cushion those effects, by means of its newly acquired economic and social policy roles. … Increasingly, this compromise is surpassed and enveloped externally by forces it cannot easily grasp, and it finds itself being hollowed out from the inside by political postures it was intended to replace (Ruggie 1997: 8, emphasis mine).

As we can see again, the power of the nation-state, and the power of the loyalty of its citizens, has rested *on a firm belief in* (*historically unprecedented*) *welfare rights*. When the Keynesian welfare state was formed, the role of the state was to find a fair balance between the state and the market – which had fundamentally transformed postwar social relations in all the countries involved in this social experiment.[62] The task of this postwar institutional reconstruction was to devise a framework which would safeguard and aid the quest for domestic stability without triggering the mutually destructive external consequences that had plagued the interwar period. In the approach of both Scharpf and Ruggie, the impact of globalization on the nation-state is through undermining the founding ideas behind the postwar welfare state: through liberalization and the opening up

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heavens; the growth of new financial instruments (such as e.g. derivatives and hedge funds); the growing importance of trade that takes place within multinationals (intrafirm trade conducted at "transfer prices"); the growing inability of countries to tax, especially with high rates, financial capital; and the possibility that real money may begin to be substituted by electronic money in the normal transactions between individuals (Tanzi 2001: 192–195). Interestingly enough, the issue of high taxes is certainly not only globalization-related but also hinges on the will of the electorate. As Martin Wolf argues, "sustaining a high measure of redistributive taxation remains perfectly possible. The constraint is not globalization, but the willingness of the electorate to tolerate high taxation" (Wolf 2001: 188).

[62] Now we are experiencing what Ulrich Beck called (in *World Risk Society*) a "domino effect": "Things which used to supplement and reinforce one another in good times – full employment, pension savings, high tax revenue, leeway for government action – now tend *mutatis mutandis* to endanger one another" (Beck 1999a: 11).

of economies, nation-states begin to lose their legitimacy provided, in vast measure, by a social contract valid only in closed, national economies.

For Jan Aart Scholte, the impact of globalization on the nation-state has been significant and we are witnessing the emergence of a new post-sovereign governance; however, "the death notices have been recklessly premature" (Scholte 2000: 132).[63] States have played a crucial role in promoting the rise of supraterritoriality and they remain key players in the contemporary governance of global flows. Whatever new world order might be emerging under the impact of globalization forces, the state has remained a major part of it. Instead of eliminating the state, the spread of supraterritoriality has tended to create a "different kind of state", "the reconstructed state". The most significant reconfiguration of the state, in relation to globalization, involved "the demise of sovereignty" (in its Westphalian sense of the term, Scholte 2000: 134–135). In traditional conceptions, sovereignty meant a claim by the state,

> to supreme, comprehensive, unqualified and exclusive rule over its territorial jurisdiction. With *supreme* rule, the sovereign state answers to no higher authority; it always has the final say in respect of its territorial realm and its cross-border relations with other countries. With *comprehensive* rule, the sovereign state governs all aspects of social life: money supply, language, military affairs, sexual behaviour, formal education, etc. With *unqualified* rule, sovereign states respect a norm of nonintervention in one another's territorial jurisdictions. With *exclusive* rule, the sovereign state does not share authority over its realm with any other party (Scholte 2000: 135).

This order is certainly over, Scholte argues, "the end of sovereignty" is a fact: today, no state is able to achieve "absolute, comprehensive, supreme and unilateral" control over the global flows that affect its

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[63] Scholte does not really seem to appreciate the current level of much of the globalization debate: "much discussion of globalization is steeped in oversimplification, exaggeration and wishful thinking. In spite of a deluge of publications on the subject, our analyses of globalization tend to remain conceptually inexact, empirically thin, historically and culturally illiterate, normatively shallow and politically naïve" (Scholte 2000: 1). The phrasing is interesting; one could hardly present a more negative view in four lines…

realm. Consequently, Scholte suggests developing a new vocabulary of *post-sovereign governance*. While the state persists, it is being fundamentally transformed through the ending of its sovereignty; the state is becoming a part, only a part, of a wider multilayered complex of regulation in which "private as well as public agencies play key roles" (Scholte 2000: 157). Globalization has not fundamentally undermined the position of nationhood as a primary framework of collective solidarity but it has helped to loosen some links between nations and states. Nationhood as a frame of reference for citizens' loyalties has been accompanied by the rise of non-national frameworks of collective identity: new bonds have grown on lines of e.g. age, class, gender, race, religion and sexual orientation (Scholte 2000: 159–160). In the most general terms, the impact of globalization on the state and governance in Scholte can be summarized as "reconstructed statehood" (e.g. loss of sovereignty, service to both supraterritorial and territorial constituents, retreat from direct state provision of comprehensive welfare needs, and increased participation in and reliance on multilateral arrangements), "multilayered public governance" (e.g. devolution of competences from state to substate bodies and an expanded role for transworld institutions and global laws) and "privatized governance" (e.g. increased use of nonofficial agencies to implement public policies and considerable drafting of regulations by nonofficial bodies) (Scholte 2000: 157).

Finally, James N. Rosenau, the last from among the moderates discussed here, in his "Governance in a Globalizing World" argues that the world is going to witness the extension of anarchic structures, a "new form of anarchy", and "continuing disaggregation" (Rosenau 2000: 184). The world will not be able to find a single organizing principle, a coherent pattern of transformations, or any global coherence through the changes to its governance structures. As he claims,

> [T]here is no single organizing principle on which global governance rests, no emergent order around which communities and nations are likely to converge. Global governance is the sum of myriad – literally millions – of control mechanisms driven by different histories, goals, structures and

> processes. … [T]here are no characteristics or attributes common to all mechanisms. This means that any attempt to assess the dynamics of global governance will perforce have multiple dimensions, that any effort to trace a hierarchical structure of authority which loosely links disparate sources of governance to each other is bound to fail. *In terms of governance, the world is too disaggregated for grand logic that postulates a measure of global coherence*" (Rosenau 2000: 183, emphasis mine).

Rosenau identifies major shifts in the location of authority and control mechanisms on every continent and in every country, but those shifts are not uniform; their directions vary, even though, on a global scale, the shift of authority "away from government" is substantial. The world is becoming ever more interdependent, complex and multi-layered; people, information, products and ideas are on the move – and what happens in one corner or at one level may have consequences for every other corner and level (Rosenau 2000: 181).[64]

3.4. Globalization, the Public Sector, and Higher Education

Western liberal democracies are reforming, or trying to reform, their welfare state institutions, as will be discussed in Chapter 4, and the modern university, as a claimant on public resources, is a significant part of the welfare sector. The costs of both teaching and research are escalating, as are the costs of maintaining advanced healthcare systems and other segments of the welfare state, and consequently the whole public sector is under new, mostly unheard of before, and mostly financial, pressures. In this context one way that globalization has had a major impact on education has been through what Martin

[64] Or as Held et al. put it, "globalization reflects a widespread perception that the world is rapidly being moulded into a shared social space by economic and technological forces and that developments in one region of the world can have profound consequences for the life chances of individuals or communities on the other side of the globe" (Held et al. 1999: 1). This worldwide interconnectedness is one of the crucial descriptions of globalization in this context.

Carnoy termed "finance-driven reforms" (as opposed to "competitiveness-driven reforms" and "equity-driven reforms", see Carnoy 1999: 42ff) the main goal of which is to reduce public spending on education. As he argues in *Globalization and Educational Reform: What Planners Need to Know*, the former set of reforms may contribute to the shortage of public resources for education "even when more resources could be made available to education with net gains for economic growth" (Carnoy 1999: 52).[65]

It is important to remember that linking economic and social change to changes in how societies transmit knowledge, as Martin Carnoy and Diana Rhoten argue, is a relatively new approach to studying education (Carnoy and Rhoten 2002: 1). Before the 1950s, comparative education focused mainly on the philosophical and cultural origins of educational systems: educational change was seen as resulting from changing educational philosophies. In the 1960s and 1970s this view was challenged by various historical studies in which educational reform was situated in economic and social contexts. Today, they claim, it is the phenomenon of globalization that is providing a new empirical challenge and a new theoretical framework for rethinking higher education:

> Globalization is a force reorganizing the world's economy, and the main resources for that economy are increasingly knowledge and information. If knowledge and information … are fundamental to the development of the global economy, and the global economy, in turn, shapes the nature of educational opportunities and institutions, how should we draw the

[65] To recall an idea already referred to: there is a need, following Martin Carnoy, to distinguish between the "objective" conditions of the global information economy and a particular *ideology* that stresses reduced public spending on social services in general; in Carnoy's formulation, "to what extent public resources for education in a particular country *really* cannot be increased, and to what extent the 'shortage' of public funding represents an *ideological preference* for private investment in education is crucial to educational policy-making in the new global environment. It does make a major difference to educational delivery how the role of the public sector in education expansion and improvement is played out" (Carnoy 1999: 51, emphases mine). At he same time, it does not make a major difference to institutions themselves whether the shortage of public funding for higher education is caused by real or perceived budgetary stress.

> directional arrows in our analysis? … One point is fairly clear. *If knowledge is fundamental to globalization, globalization should also have a profound impact on the transmission of knowledge* (Carnoy and Rhoten 2002: 2, emphasis mine).[66]

And the impact of globalization on the transmission of knowledge is the impact on, *inter alia*, education and educational institutions, especially at the higher level. Carnoy argues elsewhere (Carnoy 1999: 14) that although education appears to have changed little at the classroom level, globalization is having a profound effect on education at other levels. But at the heart of the relationship between globalization and education is the relationship between *the globalized political economy* and *the nation-state* (Carnoy and Rhoten 2002: 3), one of major concerns of the present chapter.[67] To the question of whether the power of the nation is diminished by globalization, Carnoy answers in the positive and in the negative. Both answers are important but the argumentation behind the positive answer is crucial for our purposes here. So in his view globalization diminishes the power of the nation-state because global economic competition makes the nation state focus on "*economic* policies that improve *global* competitiveness, at the expense of policies that stabilize the current configuration of the *domestic* economy or possibly *social* cohesion" (Carnoy 1999: 20, all emphases mine).

This major shift of concern by today's states towards economic and global concerns at the expense of social and domestic ones makes

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[66] I am in agreement with Daniel Yergin and Joseph Stanislaw who claim in *The Commanding Heights. The Battle Between Government and the Marketplace That Is Remaking the Modern World* that "within, outside, and across organizations and national boundaries, people are tied together, sharing information and points of view, working in virtual teams, bartering goods and services, swapping bonds and currencies, exchanging chatter and banalities, and passing the time. Information of every kind is available. With the establishment of the US government data Web site in 1997, *a ten-year-old could gain access to more and better data than a senior official could have done just five years earlier*" (Yergin and Stanislaw in Held 2000: 319, emphasis mine). Consequently, the gap between the "knowledge poor" and the "knowledge rich" (resulting also from e.g. the "digital divide") is of crucial importance for social cohesion.

[67] I am in full agreement with Anthony R. Welch when he argues that "it is becoming increasingly difficult to understand education without reference to such [i.e. globalisation] processes" (Welch 2001: 478).

the state completely different from what Bob Jessop called once "The Keynesian National Welfare State" (Jessop 1999a: 348). What it may mean in practice is a shift in public spending and monetary policy: from measures favoring workers and consumers to those favoring financial interests. Or as Carnoy and Rhoten put it,

> Globalization forces nation-states to focus more on acting as economic growth promoters for their national economies than as protectors of the national identity or a nationalist project (Carnoy and Rhoten 2002: 3).

Consequently, the role of universities seems quite different from these two perspectives: the traditional perspective saw universities as useful instruments for inculcating national identity and the new one sees universities as (equally useful) instruments in promoting economic growth and boosting national economies. A negative answer to Carnoy's question is more neutral towards our educational concerns; he claims that the power of the nation-state is not diminished by globalization because "ultimately nation-states still influence the territorial and temporal space in which capital has to invest" (Carnoy 1999: 20–21).

At the same time, the debate on the university today comes as part and parcel of a much wider *debate on the public sector* (and state intervention in, or provision of, different, traditionally public, services). Certainly in the period of the traditional Keynesian welfare state regimes it was the state – rather than the market – that was deeply involved in the economy and in the protection of nation-state citizens against the potential social evils of postwar capitalism. As the World Bank's flagship publication on the role of the state argues, for much of the 20th century people looked to government or the state *to do more*; but since the 1980s, the pendulum has been swinging again, and the existing conceptions of the state's place in the world have been challenged by such developments as e.g. the collapse of command-and-control economies or the fiscal crisis of the welfare state. Consequently, today, the countries are asking again what government's role ought to be and how its roles should be played (World Bank 1997: 17). The state's behavior and the consequences of that behavior are under severe scrutiny worldwide. The post-war

paradigm of the Keynesian welfare state (John Gerard Ruggie's "embedded liberalism compromise" – a compact between the state and society to mediate the deleterious domestic effects of postwar international economic liberalization, see Ruggie 1982 and 1997) coalesced around three basic themes. It was the social need to provide welfare benefits, the desirability of a mixed public-private economy which would often mean the nationalization of a range of strategic national industries, and finally the need for a coordinated macroeconomic policy directed toward e.g. full employment (World Bank 1997: 22). From a historical perspective,

> The Great Depression was seen as a failure of capitalism and markets, while state interventions – the Marshall Plan, Keynesian demand management, and the welfare state – seemed to record one success after another. … By the 1960s states had become involved in virtually every aspect of the economy, administering prices and increasingly regulating labor, foreign exchange, and financial markets. By the 1970s the costs of this strategy were coming home to roost. The oil price shocks were a last gasp for state expansion. … The collapse of the Soviet Union … sounded the death knell for a developmental era. Suddenly, government failure, including the failure of publicly owned firms, seemed everywhere glaringly evident. Governments began to adapt policies designed to reduce the scope of the state's intervention in the economy (World Bank 1997: 23).

To return to an image used by numerous commentators – that of a state/market pendulum:[68] the pendulum had swung from the statist

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[68] Peter Evans in his paper on "The Eclipse of the State? Reflections on Stateness in an Era of Globalization" (1997) also refers to the hypothesis of "the return of the ideological pendulum" but emphasizes that it need not sanction a return to the past and that it can be easily conflated with a return to "embedded liberalism": "In this view, the recent push to reduce the role of the state represented a natural reaction to the previous overarching of politicians and state managers. The glaring capacity gap led to a period during which, in Dani Rodrik's words, 'excessive optimism' about what the state would be able to accomplish was replaced by excessive pessimism. … This perspective makes sense. States took on more than they could handle during the period following World War II. Dealing with the capacity gap clearly required rethinking the state's role. Readjustment was necessary, and overzealousness in reducing the state's role, natural. The return of the pendulum need not sanction a return to the past, but it would legitimate new efforts to turn states into effective

development model to the "minimalist state" model of the 1980s, epitomized by such names as Margaret Thatcher in the United Kingdom and Ronald Reagan in the USA. The countries involved in implementing "New Public Management" and "reinventing government" policies[69] squeezed programs in education and health[70] but the result of this "overzealous rejection of government" was, the World Bank admits, the "neglect of the state's vital functions, threatening social welfare and eroding the foundations for market development" (World Bank 1997: 24). So, after a few years, probably for the first time in the World Development Report of 1997 referred to here, that the World Bank, heavily involved in implementing structural adjustment policies in developing countries, had to admit that the idea of the "minimal state" did not work.[71] It is here that the two crucial passages which show a considerable change in the Bank's attitude to the state appear: "Development – economic, social, and

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instruments for the achievement of collective goals. The question is whether the pendulum is likely to come to rest at a point that reflects dispassionate analysis of accumulated global experience with regard to the relative effectiveness of different forms and strategies of state action" (Evans 1997: 83).

[69] The implementation of both sets of policies was accompanied by the introduction of a new set of terms and expressions such as e.g. downsizing or rightsizing; lean and mean; contracting out, off-loading or outsourcing; steering rather than rowing; empowering rather than serving; earning rather than spending; such slogans as "let managers manage" or "management is management" etc. The idea was to see no difference between the manner in which public affairs and private enterprise ought to be run – to conduct public affairs, as far as possible, on business principles (see United Nations 2001: 38).

[70] With respect to both the UK and USA, it is useful to see how Paul Pierson conceptualizes the processes of welfare state retrenchment in his *Dismantling the Welfare State*? (1994), though without much reference to the education sector; for the developments in the education sector, see especially Sally Tomlinson's *Education in a Post-welfare Society* (2001).

[71] It is still unclear to what extent structural adjustment policies, programs and conditionalities are still imposed in their most rigid forms by the IMF in the developing world (we also need to remember that the work of the World Bank is closely tied to that of the IMF – without the endorsement of the Fund it is not possible to enter into negotiations with the Bank, as Carlos Alberto Torres reminds us in his recent paper on "The State, Privatisation and Educational Policy: a Critique of Neo-Liberalism in Latin America and Some Ethical and Political Implications", Torres 2002: 374).

sustainable – without an effective state is impossible. It is increasingly recognized that an effective state – not a minimal one – is central to economic and social development", as well as another passage which argues that "State-dominated development has failed, but so will stateless development. Development without an effective state is impossible" (World Bank 1997: 18, 25). Up to *World Development Report 1996*: *From Plan to Market*, the ideal for the World Bank had been the "minimal state".[72]

At the same time, for education and healthcare services, the publication presents another historical excursus, used apparently to introduce a historical relativization of what can, and what does not necessarily have to, be seen as the state's responsibility. After suggesting private and community participation in social services, the historical note stresses the following:

> Viewed against the common postwar presumption that infrastructure and social services are the exclusive domain of public monopolies, *pluralistic approaches* might seem radical and untested. In fact, private and community participation in infrastructure and social services has a long historical pedigree. Only in the twentieth century did governments, first in Europe and later elsewhere, become important providers of services, in extreme cases excluding the private sector altogether. … Only in the twentieth century did the state assume an important role in providing social services such as education and health care (World Bank 1997: 53–54; see also Barr 1996).[73]

The state is thus viewed by the World Bank not as a direct provider of growth but a "partner, catalyst, and facilitator", not as a sole provider but a "facilitator and regulator", not as a "director" but a "partner and facilitator" (World Bank 1997: 1, 2, 18). The state should certainly be assisting households to cope with certain risks to their economic

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[72] As already mentioned, the role of government in producing and distributing goods and services must "shrink dramatically", it must mostly "facilitate private activity", and what is needed in most general terms is a "wholesale reinvention of government" (World Bank 1996: 110ff).

[73] Which is more or less parallel to an excellent one-sentence description of welfare from a historical perspective given by Nick Manning and Ian Shaw: "For most of the world's history, except for the very privileged, the most important problem has been that of survival" (Manning and Shaw 1999: 341).

security but "the idea that the state alone must carry this burden is changing". Innovative solutions are needed – which is especially important for those developing countries which are not yet "locked into costly solutions" (of the kind provided by the generous Western-style welfare state, let us add).[74] Coming back to the picture of the state/market pendulum, citizens (especially from the developing world) should not look for solutions from the state – but should focus instead on solutions provided by the market. The consequences for the public sector, including higher education, are far-reaching:[75] "although the state still has a central role in ensuring the provision of basic services – education, health, infrastructure – it is not obvious that the state must be the only provider, or a provider at all" (World Bank 1997: 27). An "effective state" can leave some areas to the market and the areas where markets and private spending can meet most needs are "urban hospitals, clinics, universities, and transport"

[74] The picture is clear, as are the recommendations that can be drawn from it, especially for developing countries: "[t]here is a growing recognition that in many countries monopoly public providers of infrastructure, social services, and other goods and services are *unlikely to do a good job*. At the same time, technological and organizational innovations have created new opportunities for competitive, private providers in activities hitherto confined to the public sector. … It is now well established that the state can help households to cope with certain risks to their economic security. … *But the idea that the state alone must carry this burden is changing*. … Innovative solutions that involve businesses, labor, households, and community groups are needed to achieve greater security at lower cost. This is *especially important for those developing countries not yet locked into costly solutions*" (World Bank 1997: 4–5, emphases mine).

[75] The "end-of-history" mood captured by Francis Fukuyama in his *The End of History* with respect to the public sector has been summarized by some commentators in the following manner: "The collapse of Eastern European regimes … has fostered *a wider disillusion with all publicly owned and funded institutions*. Any public organization, whatever social benefit it aims to provide, is for the moment tarred with the brush of intervention in the free market environment. There is a quiet suspicion that all such institutions are somehow doomed, or at least doomed not to be successful" (Smith and Webster 1998: 5, emphasis mine). To give a local example: the initial enthusiasm with which private higher education institutions were being opened at the beginning of the 1990s in several Central and East European countries (most notably in Poland, Romania and Estonia) was accompanied by the motive to follow new (academic and economic) paths, independent of (any) state interventionism.

(World Bank 1997: 53). The state should not leave to the market such public goods as clean air, safe water or basic literacy but with respect to higher education it is not obvious that it must be a provider at all…[76] "Choosing what to do and what not to do is critical", as the idea is nicely phrased in a different passage (World Bank 1997: 3).

New publications on the tertiary education sector in the World Bank carry different overtones though. *Constructing Knowledge Societies: New Challenges for Tertiary Education* (2002) is very careful in describing a state's obligations with respect to higher education: obligations include working within a coherent policy framework, providing an enabling regulatory environment, and working towards financial incentives; the state's role is guidance rather than steering, and in the elaboration of a clear vision for the long-term development of the education system on a national level (World Bank 2002: xxii–xxiv). Despite diminished fiscal resources and competing claims from other sectors (see Hovey 1999), governments in the World Bank's account still have at least three strong reasons for supporting the sector: investments in higher education generate external benefits essential for economic and social development; capital market imperfections make loans largely unavailable to students on a large scale, in a wide range of programs; and finally, higher education plays a key role in supporting basic and secondary education (World Bank 2002: 76). The report does not leave much doubt about the need to adequately finance higher education from the public purse when it presents a long list of the social and economic costs of under-investment in higher education:

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[76] A brief note is necessary here: there is a tremendous difference between the Bank's writings on the *state* and related issues and its writings on *higher education*. The difference has been evident from the Bank's first book on the education sector published in 1994 (*Higher Education. The Lessons of Experience*) to the most recently published *Constructing Knowledge Societies* (2002). There is an interesting incompatibility between the way the Bank in general views the role of the state vis-à-vis higher education, and the way the relationship is viewed by its education sector. Consequently, such flagship publications as subsequent World Development Reports are not compatible in their views on the state/market relationships with most of the books published by its education sector. Which makes the latter's publications more important.

> [T]he cost of insufficient investment in tertiary education can be very high. These costs can include reduced ability of a country to compete effectively in global and regional economies; a widening of economic and social disparities; declines in the quality of life, in health status, and in life expectancy; an increase in unavoidable public expenditures on social welfare programs; and a deterioration of social cohesion (World Bank 2002: xxiii).

Higher education plays a crucial role in the construction of knowledge societies and the rationale for the state support of higher education (within clearly defined limits) is surprisingly strong here. But the differences between the Bank's major publications and its (somehow niche) publications on the education sector has to be born in mind.

In the developing countries, as a UN *Globalization and the State 2001. World Public Sector Report* reminds us, the retreat of the state in such social areas as health care, education or housing has had detrimental effects (United Nations 2001: 32). The report stresses the point that while in Western Europe privatization, deregulation, de-bureaucratization and decentralization have been carefully coordinated with the goals of the welfare state, and much energy has been spent on reconciling the acquired social structure and social benefits with the new age of "permanent austerity" (Pierson 2001a), which is discussed separately, in the developing countries (in the 1980s) and in Central and Eastern Europe (in the 1990s) neo-liberal strategies brought about quite different consequences.[77] As the report describes the process from a historical perspective, "in barely two decades, the 'reinvention' movement and NPM [New Public Management] have set the tone and content of the discourse in administration and government in ways that sharply contrast with the course of its development during the major part of the 20th century. The proponents of these tenets were able to carry their

[77] It is sufficient to mention the argument put forward by Zsuzsa Ferge about a "significant higher degree of compliance with the new ideology of globalization in the transition countries than in most democracies of Western Europe". The reasons for this state of affairs in CEE countries are the following: transition countries are poor; cutbacks in state spending are an economic necessity; weak local resistance to exogenous neoliberal pressures; delegitimation or corruption of the values underpinning social policy; and still weak civil society (Ferge 2001a: 150–151).

message literally throughout the world" (United Nations 2001: 53).[78] Even though their criticism concerned bureaucracy,[79] in the last analysis it affected government intervention – implemented e.g. through public sector institutions – as seen in Keynesian economics and the New Deal ideology.[80] Markets and states should be seen as complementary forces – and the role of an "intelligent, democratic state" is to provide, through rules and institutions, an "enabling framework" for private sector development and economic growth. The role of the state is

> To establish the rules of the game for the operation of the market and at the same time to perform the role of arbitrator (United Nations 2001: 68).

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[78] What is at stake is instilling a new set of values, an indirect influence over the nation-state – which is much more effective as a strategy in changing national policies than explicit threats of punitive sanctions, as Nicholas C. Burbules and Carlos Alberto Torres argue (Burbules and Torres 2000: 9).

[79] As Manuel Castells comments in *The Power of Identity*, "the privatization of public agencies and the demise of the welfare state, while alleviating societies from some bureaucratic burdens, worsen considerably living conditions for the majority of citizens, *break the historical contract between capital, labor, and the state*, and remove much of the social safety net, the nuts and bolts of legitimate government for common people" (Castells 1997: 354, emphasis mine).

[80] Not to jump to hasty conclusions, that may be one of the lessons learned from the unexpected change in thinking about the role of the state between the 1980s and 1990s. As the United Nations report noted, "in the 1980s, the discussion of the role of the state appeared to have been closed. … [T]he conclusion reached was that the State should be dismantled and reduced to the bare minimum. These views had replaced the notion that the state alone could generate development, views which were characteristic of previous decades. Today both extremes of the pendulum have been given the lie by concrete facts. … Both extremes have produced very debatable results and, today, a new wave of questioning begins on how to achieve a different balance among the state, market and the other important actor, civil society, as well as what role the state could play in this search. The rhetoric is changing" (United Nations 2001: 63). Hence new (apart from many new academic) definitions of the state, like the World Bank's "effective state" or UN's "intelligent, democratic state" which clearly oppose the "minimal state". What is commonly shared, though, is the notion that the future state will differ *significantly* and *substantially* from the traditional post-war welfare state as we knew it. In the UN's view, there will be a growing need to combine some of the goals of the welfare state model with some of the methods of the "managerial state" – in proportions depending on the needs and possibilities of each country.

3.5. Conclusions

How is the public funding of education and education spending (as part of social expenditure within the welfare state undergoing restructuring) to be seen as an *investment* rather than a *cost*? Paradoxically, the unwillingness or inability of the state to increase the level of public funding for higher education (or in more general terms, to use Philip G. Cerny's expression, the decreased state's potential for "collective action"[81]) is accompanied by a clear realization that – in the new global era – *higher education is more important for social and economic development than ever before*. The United Nations' report argues that countries that want to benefit from globalization must invest in education, to upgrade their citizens' skills and knowledge (United Nations 2001: 84). Martin Carnoy (as part of his UNESCO explanation of "what planners need to know" about restructuring higher education under global pressures) concludes that what is needed is a coherent and systemic effort by the public sector – which "usually means more, as well as more effective, public spending" (Carnoy 1999: 86).[82] There is thus an interesting

[81] As Cerny argues, globalization leads to a "growing disjunction between the democratic, constitutional and social aspirations of people – which continue to be shaped by and understood through the framework of the territorial state – and the increasingly problematic potential for collective action through the state political process" (Cerny 1995: 618). We are especially concerned here with those "social" aspirations which include all the services and benefits characteristic of the traditional "Keynesian National Welfare State" (Jessop's), certainly including higher education.

[82] Arguments provided by Geoffrey Garrett in such papers as "Global Markets and National Politics" (2000b), and "The Causes of Globalization" (2000a) as well as "Globalization and the Welfare State" which he co-authored with Deborah Mitchell (1999) – about the public provision of collective goods that are undersupplied by markets and valued by players who are interested in productivity ("ranging from the accumulation of human and physical capital, to social stability under conditions of high market stability, to popular support for the market economy itself", Garrett 2000b: 313) – could certainly be used as arguments in favor of the public support for higher education. It would be interesting to see to what extent Garrett's view that "the financial markets are essentially disinterested in the size and scope of government. Their primary concern is whether the government balances its books" (2000b: 314) is correct regarding e.g. postcommunist transition countries. My perception is that in the

tension between what most education sector specialists and academics dealing with *higher education issues* say about the future of higher education and what political economists, political scientists or sociologists say about the future of the *state*, as well as the welfare state and its services in particular, including higher education. There is no easy way out of this apparent paradox and we have to stress its significance. Perhaps this is one of those cracks in the otherwise seamless fabric of globalization accounts regarding the future role of higher education in which some future, unexpected shifts in the relations between the state and the university may take place. We have moved a long way from the relationship between the modern nation-state and the modern university described by Andy Green (with respect to education as such, not merely higher education) in the following manner:

> National education was a massive engine of integration, assimilating the local to the national and the particular to the general. In short, it created, or tried to create, the civic identity and national consciousness which would bind each to the state and reconcile each to the other. … Education was the pre-eminent author and guardian of this national identity and culture (Green 1997: 134).

All or almost all above assumptions no longer hold. Where higher education is heading under the new pressures on the nation-state (and the welfare state) – and especially why – were the major concerns of the present chapter.

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current ideological climate, it is much more than merely the books; it is also the direction of the transformations to the public sector. At the same time Garrett's "domestic compensation" traditionally coupled with (economic) "openness", referring directly to Karl Polanyi, does not have to necessarily mean higher education as a part of the public sector in the Keynesian welfare state. It might be that even if Garret is right in his thinking about the real (rather than rhetorical) changes to Western welfare state regimes, the conclusions may not pertain to education which might no longer be seen as a collective good, which does not seem to be undersupplied by the market and which has not been a protective, conflict-mitigating measure against market-generated conflicts (but still part of the public sector). Still another issue is whether high redistributive taxation remains possible and whether its future is related only to globalization (or perhaps also to the changing moods of the electorates).

CHAPTER 4

The University and the Welfare State

4.1. Welfare State Debates vs. Higher Education Debates

It is necessary to make one reservation at this point: it would be misleading to say that the issue of higher education is widely discussed in welfare state debates. Surprisingly, it is *extremely rare* to see more than a few parenthetical remarks on education, not to mention higher education, in these debates. For obvious reasons, the major issue in these debates is the future of the welfare state in very general terms, with both theoretical research and more empirically-oriented studies devoted to healthcare systems and pensions systems (as the two biggest and fastest-growing consumers of welfare state resources) and unemployment issues. While there are quite a few papers and studies which closely link higher education and the nation-state, there are very few analyzing the links forged between higher education and the welfare-state. The issue seems to be largely disregarded by higher education specialists and this fact is even more surprising seeing the large volume of research done on, broadly speaking, "globalization and the university"; consequently, on reviewing the existing literature, it should be stated that while the interrelations between nationhood, the nation-state, higher education and globalization are perceived as important for the future of the Humboldtian model of the research university, the parallel interrelations between the collapsing post-war social contract of the Keynesian welfare state and higher education are largely overlooked. There may be several reasons for this: an American understanding of

"welfare" refers much more to social security, unemployment benefits[1] and social safety nets in general (and education seems to be excluded in most general accounts), and Anglo-Saxon discussions about the dismantling, retrenchment, and restructuring of the welfare state have for the most part been dominating the discussions since the mid-1990s[2]; in a European context, on the other hand, even though the welfare state has been debated, such radical transformations of higher education as those observed in the Anglo-Saxon world (the UK, USA, Australia, New Zealand, and Canada) have not actually been perceived and analyzed, except obviously in the United Kingdom; additionally, the transnational and neoliberal contexts of thinking about higher education were much less interesting to European scholars than to e.g. Anglo-Saxon scholars, often directly affected by new neoliberal educational policies in their own institutions; however, in a European context, one of the major issues to have been discussed was "European" welfare and the European social model, or the future of welfare in integrating Europe. These issues – the "minimalist state" promoted until recently by the World Bank and major development agencies in Latin America and in

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[1] See for instance an excellent book written at the beginning of the 1990s by Paul Pierson, *Dismantling the Welfare State? Reagan, Thatcher, and the Politics of Retrenchment* (Pierson 1994). Pierson discusses programmatic retrenchment in three sectors: a core sector (old-age pensions), a vulnerable sector (housing policy) and a residual sector (income-support policy). Neither education in general, nor higher education in particular, are discussed in any detail, even though the period analyzed would have provided universities as an excellent research topic. In his "Coping With Permanent Austerity" paper, Pierson provides the following definition of the welfare state: "'The welfare state' is generally taken to cover those aspects of government policy designed to protect against particular risks shared by broad segments of society. Standard features, not necessarily present in all countries, would include: protection against loss of earnings due to unemployment, sickness, disability, or old age; guaranteed access to health care; support for households with many children or an absent parent; and a variety of social services – child care, elder care, etc – meant to assist households in balancing multiple activities which may overtax their own resources" (Pierson 2001b: 420). In contrast, European definitions most often include education.

[2] But it is useful to remember that, in Paul Wilding's formulation, the term welfare state "expresses an ideology and an aspiration rather than describes a specific set of institutions. It expresses a view of state responsibility" (Wilding 2000: 2).

several European and post-Soviet transition countries, the "downsizing" (or "rightsizing") of the public sector in general, the changing balance between the state and the market in providing public services (including educational services), and the privatization of education (together with, or following, the privatization of the healthcare and pension systems) – are directly related to the future of the university, but have largely been absent from the debates about the welfare state in Europe.[3]

Consequently, the link between higher education as a significant part of the public sector (under scrutiny globally) and the welfare state has been largely overlooked for, so to speak, structural reasons: in Anglo-Saxon countries education traditionally does not belong in a general sense to the "welfare state"[4]; in Continental Europe, by contrast, there has so far been no actual major restructuring with respect to education as part of redefining the future role(s) of the welfare state.[5] Paradoxically enough it was in Central and Eastern

[3] As Gary Teeple in *Globalization and the Decline of the Social Reform* reminds us, the privatization of the welfare state can take different routes: "One route, for instance, involves government attempts to transfer the production of a service or a good from the public to the private sector while maintaining public financing. … Another avenue of privatization takes the route of state-regulated services and benefits that are mandatorily provided by the private sector. … The least visible and yet a widely taken route of privatization is the policy of incremental degradation of benefits and services" (Teeple 1995: 104–105). In the context of the last route, it is worth mentioning that this can be seen in the case of public higher education in many transition countries by looking at the national statistics concerning public investment in higher education and research and development over the last decade.

[4] In a short description by an IMF managing director, Michel Camdessus, the term "welfare state" has "typically been applied to countries in which public spending has risen to very high levels in order *to finance social programs*. How high? There is no hard and fast rule, but the countries that are considered as being welfare states normally have governments whose expenditure is about half of their GDP: indeed in some countries it has risen as high as 60 percent of GDP" (Camdessus 1988: 1). At the beginning of the 20th century, public spending in countries now classified as welfare states was only around 10–15 percent of national incomes.

[5] Ramesh Mishra comments on European (Continental) welfare from an American perspective: "True, many European nations have inherited a large welfare state from the golden age and, for the moment, seem to be able to hold on to them. But can they hold out against global pressures?" (Mishra 1999: 70). This is a crucial point, especially

Europe, exposed to the influences of global agencies in redefining their future models of the welfare state and consequently national welfare policies, that the direct link between the new "effective" state on the one hand, with a downsizing of the public sector and a redefined minimal welfare state, and higher education policies on the other, was very much visible. Still another paradox, largely overlooked except for a handful of Central European social scientists, was that the policies for the ten accession countries, generally promoted and praised in subsequent accession countries' reports by the European Commission, were not exactly "European" policies rooted in European models of the welfare state with its generally accepted "European social model"[6]; on the contrary, as Zsuzsa Ferge

from medium- and long-term perspectives. For obvious reasons, the answer is immediate and negative in the case of most of the new EU members which in fact never had a chance to have Western-style welfare systems, and have nothing inherited from the past to hold on to in the future.

[6] Formally speaking, the European Social Model has not been defined as such in any single place. The Treaty of Amsterdam in 1997 includes a Social Chapter, and the "Charter of Fundamental Rights of the European Union" adopted at Nice in 2000 includes an important chapter on "Solidarity". The overview to article 34 states that "The right to social security is a traditional fundamental right recognized for everyone. It involves receiving from society (the public authorities) the means to satisfy the rights of an individual that are essential to his or her dignity and the free development of his or her personality. At source it is linked to the right to an adequate standard of living. This necessitates the implementation of social services to protect individuals in the situations mentioned in article 34: maternity, illness, industrial accidents, dependence or old age, and loss of employment". Further on it is stated that "Poverty and the social exclusion to which it leads are today recognized as a breach of human dignity, and a hindrance to the enjoyment and exercise of the fundamental rights of the person". In paragraph 3, the combating of social exclusion and poverty are set out as objectives for the public authorities. The right to a minimum income and the right to housing are not expressly set out here, but can be deduced from the right to social and housing aid which must be respected and implemented in the context of combating social exclusion, "in accordance with the rules laid down by Community law and national laws and practices" (Overview to art. 34). If we see how this particular article is implemented in Central and Eastern Europe, it is evident that the *acquis communautaire* of the EU does not include the social *acquis*. The current (2005) battle over the new Constitution for Europe, to a large extent, is about how far Europe should go in social security and social assistance (for the French, the new Constitution seems too liberal, for the English, as well as some new EU entrants, including Poland, it seems too socially-oriented).

convincingly demonstrates (and as many of us Central Europeans know very well from policies actually being implemented in the healthcare, pensions and other public sectors[7]), these policies are largely neoliberal – to which we will return later.[8] That is another reason to take the link between the welfare state and higher education

[7] One of the major differences between affluent Western democracies and the European transition countries is that *the point of departure* for welfare transformations is different. Paul Pierson rightly notes that "in most of the affluent democracies, the politics of social policy centers on the renegotiation and restructuring of the terms of the post-war social contract rather than its dismantling" (Pierson 2001a: 14). In CEE countries, in general terms, there is *no social contract to renegotiate* and welfare provisions need to be defined from the very beginning. Consequently, while the dismantling of the welfare state, especially with strong democratic electoral structures and powerful civil society groups, might not occur in the near future in Western Europe, the process might be long-term so that eased by social protection measures, an already "dismantled" welfare state may be built along neoliberal lines in CEE countries without actually renegotiating the postwar European social contract – which was absent there. Ideologically, there is an important difference between the potential dismantling of the welfare state (in Western Europe) and the actual dismantling of the remnants of bureaucratic welfare from the ancient regime (in Central and Eastern Europe). It is extremely interesting to draw parallels between Paul Pierson's description of welfare state retrenchment in the United Kingdom and the US (in the times of Reagan and Thatcher) and the ongoing welfare reforms in selected countries of the CEE (Poland being a natural and well-researched candidate). Christiane Lemke in "Social Citizenship and Institution Building: EU-Enlargement and the Restructuring of Welfare States in East Central Europe" (2001) rightly assumes that emerging patterns of social support and social security "diverge from the typology described in the comparative welfare state literature inasmuch as the transformation of postcommunist societies is distinctly different from the building of welfare states in Europe" (Lemke 2001: 5). She seems to have been wrong when stating that the applicant countries had to adapt to the rules and regulations of the EU, "including the *social acquis*", as well as that the idea of European-wide social standards "gained a higher profile" (Lemke 2001: 14). Unfortunately, the European social acquis, from the perspective of one year after Enlargement, seems unattainable.

[8] Even though Ferge distinguishes between four trends in the welfare policies of Central and Eastern Europe, she finds the neoliberal tendency dominant. It is "practically ubiquitous" and "seems to be dictated by concerns allegedly related to globalization pressures. Its hallmarks are the will to deregulate all markets, the labour market included; the drive to lower direct and indirect labour costs; and the privatization and marketization of former public goods and services resulting in a smaller state. These endeavors are underpinned by a forceful rhetoric about the need to end 'state paternalism', and to strengthen self reliance and self-provision" (Ferge 2001a: 129–30).

seriously in this part of Europe; it is here that educational policies, and consequently the future of public universities, may be going hand in hand with changing welfare policies, as in the traditional World Bank formulation of the "third wave of privatization" where changes in education follow changes in the two major claimants on welfare state resources: healthcare services and public pensions systems (see Rama 2000; Torres and Mathur 1996).[9]

Thus in the context of debates about the future of higher education, and of universities in particular, the close links between the welfare state and the nation-state have not been emphasized. Although the university/globalization/nation-state nexus has been thoroughly studied, discussions about the parallel nexus of the university/globalization/welfare state are largely absent, the links between the university and the welfare state being underestimated. From my perspective it is analytically wrong not to do research in this direction. Let us remember that the welfare state developed and still remains a "national enterprise" (Mishra 1999: 11); that the nation-state was the "political and operational framework of the welfare state. That is, social reforms have been defined and administered as *national programs*" (Teeple 1995: 18). As Anthony Giddens argued in *Beyond Left and Right: the Future of Radical Politics*,

> The welfare state has always been a national state and this connection is far from coincidental. One of the main factors impelling the development of welfare systems has been the desire on the part of governing authorities to

[9] There is also one more reservation that needs to be taken here: if we take into account the distinction between *state* welfare and *private* welfare, we are focusing in this chapter on the former Keynesian i.e. state variant of welfare. This is a crucial point because, as Giuliano Bonoli, Vic George and Peter Taylor-Gooby remarked in passing, without actually developing the idea, "while globalization had a constraining effect on state welfare, it had an *expansive effect on private welfare*. The net result may have been that though the *total volume of welfare* may have been unaffected, a greater proportion of that is taken up by private welfare provision. All the available evidence shows a country's ranking on total welfare effort can differ from that of its state welfare sector", as e.g. in the USA (Bonoli et al. 2000: 69, emphases mine). But private welfare is based on market mechanisms – while in the traditional Esping-Andersen description of welfare in *The Three Worlds of Welfare Capitalism* the crucial point is "maintaining a livelihood without reliance on the market" (Esping-Andersen 1990: 22).

> promote national solidarity. From early days to late on, welfare systems were constructed as part of a more generalized process of state building. *Who says welfare state says nation-state* (Giddens 1994: 136, emphasis mine).

The welfare state was an integrated national state in which there was no big difference between wealth and national wealth – which may no longer be the case. This was presented in the most dramatic way by Robert B. Reich in *The Work of Nations* through the transition from a metaphor of the citizens being in the same large boat (called "the national economy") to a metaphor of the citizens increasingly occupying different, smaller, individual boats. In Reich's view, Americans (or citizens of any other nation for that matter) are no longer in the same economic boat, there is no longer any common economic fate for citizens of a given nation. The centrifugal forces of the global economy tear at the ties binding citizens of national states together (see Reich 1992).[10]

4.2. Is this the End of the Welfare State as We Know It?

In the "Golden Age" of the post-war Keynesian welfare state in Europe (1950–1975, roughly speaking), higher education was very important – as testified to by the constant growth in student enrollments, the increasing number of higher education institutions,

[10] Robert B. Reich's theses seemed very radical in the beginning of the 1990s when his *Work of Nations* was published. After a decade, in the (then unknown) context of "knowledge societies" (and knowledge economies), they seem much more plausible: "We are living through a transformation that will rearrange the politics and economics of the coming century. There will be no *national* products or technologies, no national corporations, no national industries. There will no longer be national economies, at least as we have come to understand that concept. *All that will remain rooted within national borders are the people* who comprise a nation. Each nation's primary assets will be its citizens' skills and insights". And further on: "Underlying all such discussions is the assumption that our citizens are in the same large boat, called the national economy. There are different levels of income within the boat, of course … Yet all of us are lifted and propelled along together. The poorest and the wealthiest and everyone in between enjoy the benefits of a national economy that is buoyant, and we all suffer the consequences of an economy in the doldrums" (Reich 1992: 3, 4, emphases mine).

rapidly rising scholarization rates and the relatively lavish public research funding available to universities. This massification of higher education was in full swing in Europe, with universalization as its aim (although participation rates are still considerably lower in Europe than in the United States). Such a post-war welfare state was sustainable only as long as post-war European economies were growing and were relatively closed; however, over the years, as entitlements grew ever bigger and coverage became ever more universal, the proportion of GDP spent on public services rose considerably. With economies becoming more open, the stagnation which started in the second half of the seventies in Europe, following the oil crisis, was perhaps the first symptom that the welfare system in the form designed for one period (the post-war reconstruction of Europe) might be not be working in a different period.[11] The social conditions had changed considerably: the post-war social contract was related to an industrial economy in a period of considerable growth; the male bread-winner model of work was changing; closed, national economies with largely national competition for investment, goods, products and services were becoming internationalized; the marriage of the nation-state and the welfare-state was under pressure, and so on. In 1960, the average expenditure on social payments was 7.5 percent of gross domestic product in the affluent countries of Western Europe, as compared to 6 percent being spent in the United

[11] As Gøsta Esping-Andersen, a leading world authority on the welfare state, put it recently, "most European social protection systems were constructed in an era with *a very different distribution and intensity of risks and needs* than exist today. … The postwar model could rely on strong families and well-performing labor markets to furnish the lion's share of welfare for most people, most of their lives. Until the 1970s, the norm was stable, male breadwinner-based families. With few interruptions, the male could count on secure employment, steady real earnings growth, and long careers – followed by a few years in retirement after age 65. Women would typically cease to work at first birth, and were thus the main societal provider of social care for children and the frail elderly. … The problem behind the new risk configuration is that it stems primarily from weakened families and poorly functioning labor markets. As a consequence, the welfare state is burdened with responsibilities for which it was not designed" (Esping-Andersen 2001, emphasis mine). Ulrich Beck in such books as *World Risk Society* and *The Brave New World of Work* calls ours a "post work" society which *turns the assumptions of the Keynesian welfare state upside-down*.

States. Already by 1980, though, the average expenditure on social payments in Europe had doubled and reached a level of 14 percent of GDP, while the United States was spending only 9.75 percent. The differencial between the USA and European countries was growing (Myles and Quadagno 2002: 34). As a result the social agenda of the eighties and nineties changed radically: after the policies of the golden age of expansion, European welfare states have been shaped by the (Paul Pierson's) "politics of austerity". Despite attempts to reduce the role of the state in welfare provision during the 90's, "social expenditure as a proportion of GDP continued to increase during the past decade, although at a slower rate than before" (Bonoli et al. 2000: 1). John Myles and Jill Quadagno describe this shift in the social and economic climate as follows:

> The forces of globalization and postindustrialism, the revolution in family forms and gender relations, and an extended period of modest economic growth have created a very different social and political climate from that in which contemporary welfare states came to maturity between the 1950s and the 1970s (Myles and Quadagno 2002: 35).

Consequently, the rhetoric of a "crisis" in the welfare state has been with us since the 1970s. There was also a growing interest in non-state welfare providers. The OECD report, *The Welfare State in Crisis*, had already stated in 1981 that "new relationships between action by the state and private action must be thought; new agents for welfare and well-being developed; the responsibilities of individuals for themselves and others reinforced" (OECD 1981: 12). From the 1970s, various theorists have claimed a fiscal crisis, a crisis of government overload, a crisis of liberal democracy or, as Jürgen Habermas called it, a "crisis of legitimacy".

Social scientists have divergent views about the causes of the current pressures on the welfare state; they agree on a single point though; we are facing *the end of the welfare state as we know it*. Let me quote here several diagnoses of sociologists, economists, and philosophers:

> *Signs of strain are everywhere.* The struggle to balance budgets is unending, even as many governments cope with levels of debt unprecedented in peace-time. …

> Despite their striking resilience over a quarter-century of "crisis", welfare states are widely held to be under siege (Pierson 2001c: 81, emphasis mine).

> The welfare state now faces a context of *essentially permanent austerity*. Changes in the global economy, the sharp slowdown in economic growth, the maturation of governmental commitments, and population aging all generate considerable fiscal stress. There is little reason to expect these pressures to diminish over the next few decades. If anything, they are likely to intensify (Pierson 2001b: 411, emphasis mine).

> Throughout Europe, the dominant theme in contemporary social policy is the retreat of the welfare state. … There is now general agreement that the bulk of the social legislation introduced in recent years in intended to reduce the role of the state in welfare. Policies that lead in the opposite direction play a subordinate role (Bonoli et al. 2000: 1).

> For two reasons, the continued viability of the existing welfare state edifice is being questioned across all of Europe. The first is simply that the status quo will be difficult to sustain given adverse demographic or financial conditions. The second is that the same status quo appears increasingly out-of-date and ill suited to meet the great challenges ahead (Esping-Andersen et al. 2002: 4).

> The welfare state cannot survive in its existing form; or, if it does, it is likely to be progressively corroded or cut back, even by governments which strongly support the principles underlying it (Giddens 1994: 174).

> The dismantling of the Welfare State (once an operative reflection of the principle of universally shared responsibility for individual weal and woe) – a prospect till a few years ago deemed unthinkable by the most perceptive of minds – is now taking place (Bauman 1993: 243–44).

> No matter how one looks at it, the globalization of the economy destroys a historical constellation that made the welfare state compromise temporarily possible (Habermas 1998: 52).

> Large-scale provision of social insurance and social services to redistribute wealth and reduce social risk has been perhaps the defining characteristic of the mixed economies of the postwar OECD. But today this type of welfare state is considered as an outmoded institution, a luxury that can no longer be afforded (Garrett and Mitchell 1999: 1).

There is no major disagreement, broadly speaking, about *the future of the welfare state in its current European postwar form*: its foundations,

for a variety of internal and external reasons and due to a variety of international and domestic pressures, need to be *renegotiated* today. Major differences are based on different explanations about what has been happening to the European welfare state since the mid-1970s until now, about different variations of restructuring in different European countries, and different degrees of emphasis concerning the scope of welfare state downsizing in particular countries in the future. In more general terms, perhaps the most interesting issue for our purposes here is the differing options with regard to the role of globalization in redefining the model of the welfare state possible today. Globalization and the welfare state is the issue that most sharply divides current researchers on welfare issues.

The question debated today is not *whether* welfare retrenchment has come to be seen as necessary by the governments of most affluent Western democracies, international organizations (such as the OECD), global organizations and development agencies (such as the World Bank) and the European Commission; it is rather *why*.[12] As Giuliano Bonoli and his colleagues argue, there are four main factors involved in the current pressures for the retrenchment of the welfare state. They are the following: globalization, an anti-taxation bias, a neo-liberal approach to political economy and the dilemma of "squaring the welfare circle":

> The four factors are, first globalization which imposes an international competitive logic which different nation-states cannot escape and which constrains national policies, particularly in relation to taxation and the labour market; secondly, the assumption of politicians and others that the public will not tolerate increases in taxes and social contributions to finance improvements in welfare; thirdly, the neo-liberal approach to political economy, now dominant in the assumptive worlds of policy-makers, which argues the priority of market freedom over welfare intervention; and fourthly, the dilemma of "squaring the welfare circle", which confronts all welfare states. This refers to the way governments now *experience*

[12] Although it has to be remembered that, as Carnoy put it, "objective data in the economic, demographic and social spheres have greater or lesser impact as focus for welfare retrenchment *according to the way they are politically interpreted and accepted in the country's policy-making process*" (Carnoy 1999: 153, emphasis mine).

> *simultaneous and contradictory pressures from opposite directions.* Increases in the numbers of older people, rising demand for education and training, rising unemployment and the expectations of citizens that social progress will involve higher standards of service press for higher spending. At the same time, concern about the impact of globalization, the logic of liberalism and fears of tax revolt demand the contraction of provision (Bonoli et al. 2000: 2, emphasis mine).

So here we are. European welfare states are confronting differing mixes of the above factors in different countries. Bonoli and his colleagues argue that in deciding how these conflicts are played out in different countries and how they are resolved, a crucial position is held by their respective institutional frameworks to a very large extent (including political institutions, the labor movement, business, finance and the voluntary sectors etc).[13] As retrenchment is difficult to measure, the best way to gain insight into the transformations of the welfare state in recent years is to have a look at the *legislative* changes adopted in different countries and assess their likely implications for the coverage, level and quality of welfare provision (the new EU countries, having adopted an enormous number of legislative changes in welfare state structures over the last few years, are an excellent and still under-researched subject)[14]. We need

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[13] Esping-Andersen reminds us of the considerable differences in the interplay of state, family, and market (i.e. of welfare regimes, in his classic formulation of 1990) and argues therefore that "such differences mean that we cannot forge general strategies for social reform at an abstract pan-European level. It also follows that we shall err terribly if we limit our attention solely to *governments*' welfare role. I believe it is futile to discuss whether we should reduce public social commitments without considering what effects such might have on family and market welfare delivery. … Reforming European welfare commitments for the coming century implies *regime change*, that is reordering the welfare contributions of markets, families and state so that the mix corresponds better to the overall goals we may have for a more equitable and efficient social system" (Esping-Andersen 2001: 137).

[14] To show the interesting direction of this research with respect to transition countries: "This mass of restrictive social legislation consisted of several overlapping types. Some new policies have reduced the level of cash benefits, restricted entitlement and reduced the period for which the benefits can be paid. Other legislation increased the payments made by users of the health, education and social care services. Still other legislation made the provision or the administration of some of the cash benefits

to bear in mind that social expenditure as a proportion of GDP did not decrease but continued to increase during the last decade, even though its rate of growth was considerably slower than in the previous two decades.

Bonoli's more general claims are parallel to those pronounced among the supporters of the idea of the "risk society", especially Ulrich Beck and his British colleagues. Beck's account of the end of the postwar social contract between the state and its citizens, which happens together with the end of the welfare state as we know it, will be discussed in the next chapter; suffice it to say now that the most interesting feature of the new world as described by Bonoli is what he terms *shifting the burden of uncertainty to the individual*. The expansion of private provision means that individuals will be much more exposed to risks (Bonoli's example: the market performance of pension funds[15]). The level of security is lower, and the risk-protection is lower (Bonoli et al. 2000: 47–8). People's dependence on the market is increasing and the burden of social security is being taken off the shoulders of the state. Consequently, the trend is clearly towards the *recommodification* of society, meaning increasing people's

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the responsibility of employers or other bodies or introduced market principles in the management of services. Finally, legislation privatized parts of the social services or many public utilities in their entirety" (Bonoli et al. 2000: 1). Each and every way of changing the legislation towards welfare retrenchment can be exemplified by particular laws adopted recently (and Poland, comprising half of the population of the ten new EU countries, is a good example here). At the same time, it is interesting to note that the new directions in European welfare policies are actually poorly reflected in most *quantitative* indicators because social expenditure as a share of GDP has not declined, as Bonoli et al. remind us.

[15] See in this context the whole idea of multi-pillar pension schemes (consisting of 3 parts: a mandatory publicly-managed tax-financed pillar for redistribution, a mandatory privately-managed fully funded pillar for saving, and a voluntary pillar for people who want more protection for old age) as opposed to traditional "pay-as-you-go" systems. Pure multi-pillar systems only exist in a few countries (and Chile is the flagship example), while the number of countries with blended systems (PAYG and multi-pillar) is growing. Poland is an example of the successful implementation of a blended system. For an overall view see Louise Fox and Edward Palmer's paper on "New Approaches to Multi-Pillar Pension Systems: What in the World Is Going On?" (1999). For the Polish case, see Jerzy Hausner's "Poland: Security Through Diversity" (2000).

dependence on market forces (and, let us add the complementary picture, towards the *desocialization of the economy*).[16] As already emphasized in previous chapters, the balance between state and market in meeting people's needs (so far met by public sector healthcare and pensions, and possibly including education[17]) is shifting towards the market. This is, in Bonoli's terms, "the reversal of the tendency that dominated social policy-making during most of the post-war period" (Bonoli et al. 2000: 49).[18]

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[16] In the classic formulation of Esping-Andersen's *Three Worlds of Welfare Capitalism*, decommodification was the crucial phenomenon referred to in the Keynesian welfare state: "The outstanding criterion of social rights must be the degree to which they permit people to make their living standards *independent of pure market forces*. It is in this sense that social rights diminish citizens' status as commodities". And in a section on "rights and de-commodification" he claims that "in pre-capitalist societies, few workers were properly commodities in the sense that their survival was contingent upon the sale of their labor power. It is as markets become universal and hegemonic that the welfare of individuals comes to depend entirely on the cash nexus. Stripping society of the institutional layers that guaranteed social reproduction outside the labor contract meant that people were commodified. In turn, the introduction of modern social rights implies a loosening of the pure commodity status. *De-commodification occurs when a service is rendered as a matter of right, and when a person can maintain a livelihood without reliance on the market*" (Esping-Andersen 1990: 3, 21–22, emphasis mine).

[17] An IMF managing director stated, not surprisingly, when presenting his "responses to the challenges", that in reforming the education sector, "educational expenditures can be reduced by introducing modern technology and teaching methods in schools and thus replacing some traditional direct teaching by staff, by shifting some expenses to the private sector, especially for higher levels of education" (Camdessus 1998: 6).

[18] Skepticism towards state solutions to welfare problems has been expressed by both the left and the right. As Fiona Ross says, "despite continuing public attachment to welfare institutions, leaders on the left and right reveal a growing skepticism towards state provision and an increasing acceptance of market-based approaches to social problems" (Ross 2000: 4). Clear examples among left-wing intellectuals are provided by the "third-way" thinkers in Britain. Anthony Giddens in *Beyond Left and Right* explains that "protecting the welfare state seems to many on the left essential to what a civilized society is all about; the needy and the sick are not abandoned to fend for themselves, but through the actions of government have the chance to lead satisfying lives. Yet this situation needs enquiring into, because welfare institutions have only partly been the creation of socialists – and more radical socialist thinkers, in

Let me now refer briefly to the ideas of "better and slimmer government" and a "wholesale reinvention of government" as promoted by the World Bank in the first half of the 1990s which point directly towards the downsized state and its reduced social responsibilities. They are parallel to the "reinventing government" movement in the United States and New Public Management in the United Kingdom.[19] Let me refer to two of the Bank's flagship publications, the World Development Reports from 1996 and 1997, namely *From Plan to Market* and *The State in a Changing World*. Both are quite explicit in presenting their views on the state. The latter retreats from the notion of the "minimalist state" and turns towards the notion of the "effective state". The former argues that "the transition from plan to market calls for a wholesale reinvention of government. The state has to *move from doing many things badly to doing its fewer core tasks well*. This means government must at once shrink and change in nature. No longer the prime economic agent in most areas, it must instead facilitate private activity" (World Bank 1996: 110, emphasis mine). The most programmatic formulation for the transition countries is probably the following:

> In transition countries the job of redefining government is at once more urgent and more daunting. First, the role of government in producing and distributing goods and services must shrink dramatically. *Public provision must become the exception rather than the rule. State intervention is justified only where markets fail* – in such areas as defense, primary education, rural roads, and some social insurance – and then only to the extent that it improves upon the market. Second, government must stop restricting and directly controlling private commercial activity and extricate itself from intimate involvement in the financial sector, focusing instead on promoting

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fact, used to spend a lot of time criticizing them" (Giddens 1994: 134). It is interesting to reread Claus Offe's *Contradictions of the Welfare State* (1984) in this context.

[19] As the United Nations' *World Public Sector Report. Globalization and the State 2001* argues, the "reinvention" movement and New Public Management have "set the tone and contents of the discourse on administration and government in ways that sharply contrast with the course of its development during the major part of the XX century. … The butt of their critique has been the world of 'bureaucracy' but, in the last analysis, government intervention predicated on Keynesian economics and the New Deal ideology" (United Nations 2001: 53–4).

> macroeconomic stability and providing a legal and institutional environment that supports private sector development and competition. Finally, instead of providing generous guarantees to secure adequate living standards for all, governments need to foster greater personal responsibility for income and welfare (World Bank 1996: 110, emphasis mine).

Higher education is certainly not among the priorities of the slimmed-down minimalist state, and state support for higher education in general, from short- and long-term perspectives in the transition countries, does not have to be among the "core tasks" of the state. Consequently, the suggested ideal leads not only to downsizing (dubbed also "rightsizing") the state but also to setting new spending priorities. Changes in the role of the state require shifts in spending patterns: "the aim is to make the composition of expenditures consistent with the tasks of government in a market economy and conducive to long-term growth. Indeed, robust empirical evidence supports the view that government spending tends to be productive and to promote economic growth where it corrects proven market failures and truly complements private activity … but rarely otherwise" (World Bank 1996: 115). The policy options suggested (this time not to transition countries but on a more global scale) by *The State in a Changing World* basically follow the same direction but in a softer version. The role of the state in economic and social development is increasingly seen as that of a "partner, catalyst, and facilitator" or a "facilitator and regulator" rather than as that of a direct provider of growth. The report takes as its point of departure the conclusion that "the world is changing, and with it our ideas about the state's role in economic and social development". Markets and states are complementary and consequently the state is essential for "putting in place the appropriate institutional foundations for markets". There is growing recognition that in many countries the monopoly public providers of infrastructure, social services, and other goods and services "are unlikely to do a good job" (World Bank 1997: 1, 1, 4). The new responsibilities of the state need to be redefined and societies need to accept them. What is needed is a "strategic selection of the actions" that states will try to promote, coupled with greater efforts to "take the burden off the state", "more selectivity" in the state's activities and "greater reliance on the citizenry and private firms"

(World Bank 1997: 3).[20] It would be interesting to follow the evolution of the Bank's thinking about the state and how it both answers criticism and incorporates lessons learned in various parts of the globe. But there is no need to go any further into details so let us merely emphasize again that higher education is under scrutiny for a variety of reasons and in a variety of contexts that are traditionally wholly alien to higher education studies. To show the relationships between higher education, the state, and the public sector in general, let me turn for a moment to the American context.

An American perspective on the state subsidy of higher education is relatively simple and its simplicity finds followers in various American and global lending and development agencies. Even though the perspective apparently looks restrictive in its scope for the USA and the developing countries reforming higher education systems under the aegis of various US-led development programs, it is very useful to have a brief look at it (in the context of the countries of Central and Eastern Europe, with almost permanent budget deficits and lacking the resources for European models of the welfare state, the exercise of scrutinizing this perspective may be even more rewarding[21]). Let me refer again to a report by Harold A. Hovey,

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[20] As Susan Strange in her book *The Retreat of the State* explained: "How then is it possible to proclaim a retreat by government, a decline in the authority of the state within its territorial frontiers? The answer … relates not to the quantity of authority exercised by the governments of most territorial states, but to the quality of that authority. It rests on *the failure of most governments to discharge those very basic functions for which the state as an institution was created* – the maintenance of civil law and order, the defense of the territory from the depredations of foreign invaders, the guarantee of sound money to the economy, and the assurance of clear, judicially interpreted rules regarding the basic exchanges of property between buyers and sellers, lenders and borrowers, landlords and tenants" (Strange 1996: xii, emphasis mine). As emphasized by many analysts, in affluent societies, what is not provided by the public sector will be provided, as an alternative, by the private sector.

[21] Especially that, as Zsuzsa Ferge and others show, "the EU suggestions for some reforms of social security may steer these countries in a more American than European direction" (Ferge 2001b: 1). Based on a careful reading of the Accession Reports from the Community to the ten applicant countries, Ferge finds a "hidden policy agenda" there: "*the Union has a different social security agenda for the accession countries than for the EU*

director of the National Center for Public Policy and Higher Education, "State Spending for Higher Education in the Next Decade. The Battle to Sustain Current Support" (Hovey 1999). Hovey takes as a point of departure the claim that state funding for higher education has always been heavily influenced by a states' fiscal situation:

> changes in state fiscal conditions are often multiplied in their impacts on higher education. When finances are tight, higher education budgets are often cut disproportionately. When financial conditions are good, higher education often receives larger increases than most other programs (Hovey 1999: 1).

Consequently, drawing from an American experience, we can extrapolate the idea to Europe, or at least Central and Eastern Europe, and say that state funding for higher education depends on the overall outlook for state finances. The state of higher education funding in the EU-15 compared with new EU countries does not need to be discussed here; the gap between the two is enormous. The projections for the future suggest that the tight fiscal environment will continue, if not intensify, in the coming years. In an American context, "higher education will find itself in an environment where merely maintaining current services … will be difficult" (Hovey 1999: 9). In the USA, the traditional government-funded activities are higher

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members. … there seems to be a hidden agenda for the applicant countries not quite in line either with the European model or with the subsidiarity principle. The hidden agenda suggests to the accession countries *measures contrary to the European model*, such as the privatization of pensions and health, or the cutback of already low social expenditures" (Ferge 2001b: 1, emphases mine). Her conclusions are clear-cut: "The implicit model for Central Eastern Europe which in many cases is dutifully applied is different from the European model as we knew it, and close in many respects to the original World Bank agenda. As a matter of fact high officials of the Bank do present the developments in Central-Eastern Europe as *a social policy model to be followed by the current members of the Union*" (Ferge 2001b: 12, emphasis mine). Nita Rudra in her paper about the impact of globalization on the welfare state in less-developed countries claims that "trends in welfare spending in developed and developing countries have diverged. … in the face of globalization labor in LDCs [less-developed countries] has been unable to prevent the dismantling of the welfare state, quite unlike labor in the more developed countries of Western Europe" (Rudra 2002: 410–411). Central and Eastern Europe, despite being already nominally within the EU, in this context, is much more likely to follow the route of less-developed countries than that of the old EU member states.

education, law enforcement, health care and public schools. The fiscal environment for higher education in most US states in the near future may be significantly worse than in the late 1990s. Basically, the situation faced by governments is that of a zero-sum game: gains in share by one program (e.g. higher education) have to come *at the expense of* other programs. Therefore a very important question, largely overlooked in European discussions, should be raised:

> The underlying question about spending will be whether, at the margin, higher education spending is contributing more than spending at the margin in other programs. This question will be raised in a political dimension with the adverse electoral consequences of cuts in higher education compared with cuts affecting public schools, health care providers, and others active in state politics. The question will be raised in a substantive dimension with the values of improvements in higher education compared with values of improvements in job training, preschool education, preventive health and other programs (Hovey 1999: 17–18).

This lose-lose situation is very clear in most postcommunist transition countries: there are priorities in the transformation processes, the pie to be distributed is very small indeed and it is largely current politics – rather than explicitly formulated long-term government policies – that determines how the pie is cut. As Andrei Marga sadly remarked in a paper about "reforming the postcommunist university"; "politics and law, macroeconomics and finance, civil rights and liberties, the church and the family, have all been objects of consideration. But universities – despite the vital roles they play in providing research and expertise and in selecting and forming the leaders of tomorrow – have not" (Marga 1997: 159). It was no different for welfare policies in European transition countries: Bob Deacon notes that "what became immediately evident … was that debates of any kind about social policy became relegated to almost last place in the priority of many of the new governments" (Deacon et al. 1997: 92).

Higher education has to compete with other forms of state spending, and the costs of other forms of social needs are growing rapidly; the statistics concerning unemployment rates, access to public health care systems, the level of funding accessible to the elderly through existing pension schemes etc, are clear. And higher

education has *not* been competing successfully with other programs over the last decade in most CEE countries; it is enough to see the data on the generally declining public support for higher education and research and development in many countries of the region. The American response to the ever rising costs of all government-funded programs results from an awareness that there is basically no limit to potential consumer demand and thus to government costs; "meeting all of the resulting demand is impossible, so governments find ways to limit consumption of what they produce" (Hovey 1999: 28).[22] In the case of higher education though (as well as the services of state schools, the police, libraries etc), long tradition holds that it must be offered to all citizens rather than to selected eligible individuals. Consequently, public higher education does not necessarily meet high standards of quality, which drives more affluent or more ambitious "users" into the arms of private sector providers.[23] What is guaranteed by the state is meeting *minimum standards*. Higher education, to gain a bigger share of government funds, would have to compete successfully against other state-funded programs, regardless of whether taxes are raised (a rather difficult, if not impossible option) or not.[24] As Giuliano Bonoli and his colleagues put it recently in a

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[22] The major difference from the *redistributive* side of government policies between Europe and the US is that European governments redistribute income among their citizens on a much larger scale; European social programs are much more generous and European tax systems are more progressive. While European countries provide more public welfare than the United States, Americans engage in more private provision of welfare (e.g. charity) than Europeans do (see Alesina et al. 2001).

[23] An interesting process is a move from "producer dominated service provision" to a "more consumer shaped and oriented approach". The processes mentioned below can easily be applied to learning situations, and to higher education in particular. As Paul Wilding in his prophetic study on European welfare claims, "producer power cannot survive the ever greater availability of information available to consumers through, for example, the world wide web. Patients can now do their own investigations of their health problems and go to their GP with their own impressive file of information. … Professional dominance and standing and consumer subordination depended substantially on *the imbalance of available knowledge*. This balance has begun to tilt in favour of the consumer" (Wilding 2000: 8, emphasis mine).

[24] "Tax competition" in more or less disguised forms seems unavoidable in the increasingly open economies in which there are less and less protective trade

European context, "a basic premise of current welfare policy-making is that taxes cannot be raised" (Bonoli et al. 2000: 72). The programs to compete with are socially highly sensitive and in an American context include education from birth through grade 12, programs for the aged (with such major problems as the increasing number of elderly people and the provision of care for the aged), health care (with such major problems as rising costs and costs being shifted to the government – e.g. 40 million people without any health insurance), programs for people on low incomes and the safety net, and finally law enforcement.[25] At the same time none of these programs have any interest in being associated with tax increases; the more sensible position is to suggest that a given program be funded by "giving it an appropriate priority in spending decisions" (Hovey 1999: 40). Allocating priority to different programs is a highly political issue in every country; it does not seem to be any different in Europe, or in CEE countries, for that matter.[26] The prospects in the future for increasing public funding on public higher education, including public universities, are very low indeed; even documents from the European Commission, discussed in Chapter 6, do not propose such actions either for higher education or for research and development, suggesting instead, as in the case of the "3 percent" goal of national GDPs devoted to R&D activities in EU Member countries by 2010, that *private* funds contribute to reaching this goal.[27] So, to sum up,

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barriers. Globalization will make it increasingly difficult for countries to have tax levels that are ***substantially*** above those countries with which they compete (see Camdessus 1998).

[25] At the same time, recent figures from EUROSTAT suggest that in the EU-15, 18 percent of the population, or approximately 65 million citizens, live in poverty (see Ferrera et al. 2001).

[26] One thing is certain, though: "There is complete agreement among researchers studying the post-socialist transition that one key task ahead is radical reform of the pension system, health care, provision for children and the aged, social assistance, and the other spheres of the welfare system", as János Kornai put it (1997: 339).

[27] Consequently, the European Commission states that "the resources and policies that need to be mobilised encompass much more than government R&D spending. Indeed, more than 80% of the R&D investment gap with the United States lies in the funding levels of the business sector". The main challenge for inducing higher private

seeing higher education policies in isolation from larger welfare state policies would be assuming a short-sighted perspective: higher education is a significant (and fund-consuming) part of the public sector and a part of the traditional welfare state that is right now under severe pressures, even though they may not be as strong as pressures on the two main parts of it, healthcare and pensions.[28] Knowing the zero-sum game character of the fiscal decisions of national governments, it may be useful to get to know the rationale, arguments and debates about the larger contexts of the problem.

4.3. Globalization and the Welfare State: General Issues

Let us pass on to the issue broadly called "globalization and the welfare state". There are two sharply opposing positions competing with each other, and a number of accompanying soft positions, concerning the negative impact of globalization on the welfare state. The opposing positions are the following: first, globalization has been *the* fundamental factor behind the gradual retreat of the welfare state, all other factors being much less significant; second, the role of globalization has been grossly overestimated; it may be important but it is the *internal* developments in Western welfare states in recent decades that are crucial. All other positions seem to be softer or more conditioned versions of either the former or the latter paradigmatic position. From a broader perspective, Torben Iversen in his paper on "The Dynamics of Welfare State Expansion" draws a distinction between "pessimists" and "optimists": according to the pessimists, globalization is a serious threat to the continuation of the Keynesian

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investment in the R&D sector is to make it "more attractive and profitable" (EC 2002c: 5). It is no accident that the communication bears the subtitle "Towards 3% of GDP".

[28] To put the two issues in a different perspective: "simply stated: longer life costs more" (Camdessus 1998: 5) and "today, throughout the industrial world, retirement has become a lengthy period of state-supported leisure for surging populations of retirees, a high percentage of whom, thanks to modern medicine and less disabling forms of work, remain able-bodied well into their seventies. Until now, this state of affairs has been a tolerable form of excess only because enough young people were willing to bear the increasing economic burden" (Hewitt 2002: 14).

welfare state; but optimistic accounts of globalization say that it is compatible with, and can even strengthen, the welfare state (see Iversen 2001). The best known representatives of the (relatively small) camp of "optimists" are Geoffrey Garrett and Dani Rodrik, both influential political economists and political scientists. Garrett for instance claims that

> The widespread support for the notion that globalization has undermined the welfare state is somewhat surprising given the results of the most systematic empirical studies on the subject. Quantitative research has found neither clear nor consistent globalization constraints on government spending or taxation in the OECD. Indeed, in many cases, the globalization-size of government relationships tend to be positive. These results are consistent with the view that globalization has a distinct political logic of "compensation" that may override the lowest common denominator economic "efficiency" pressures highlighted in the popular debate on the welfare state. The compensation perspective emphasizes three points. First, market integration has tended to increase inequality and economic insecurity in the advanced industrial countries. Second, this creates strong incentives for governments to ameliorate market dislocations using the policy instruments of the welfare state. Finally, these policies may not necessarily be detrimental to macroeconomic performance or the interest of finance and industry (Garrett and Mitchell 1999:1).

Garrett and Mitchell evaluate the relative impact of the efficiency and compensation perspectives on the globalization-welfare state relationships using data for 18 OECD countries in the 1961–1994 period. The efficiency hypothesis highlights the increasing competition in international markets for goods and services and in the mobility of capital, but it focuses on only one aspect of the globalization-welfare state nexus – "the economics of big government" (Garrett and Mitchell 1999: 8). It neglects the assertion – made by thinkers from Karl Polanyi (1944) to Dani Rodrik (1997) – that "there are also clear political incentives to expand welfare efforts in response to internationalization". So, in the optimists' view, "market integration may benefit all segments of society in the long run through the more efficient allocation of production and investment. But the short-term political effects of globalization are likely to be very different … increasing inequality and increasing

economic insecurity" (Garrett and Mitchell 1999: 9). The "compensation hypothesis" suggests that globalization may actually *increase* demands on governments to cushion market-generated inequality and insecurity by welfare state expansion. This optimism is very rare among researchers on welfare issues though, and further evidence for a positive relationship between trade openness and compensatory social spending needs to be found.

The traditional picture of the relations between nations and their economies and its radical questioning by the forces of globalization is excellently captured by Fritz Scharpf: "in the history of capitalism, the decades following the Second World War were *unusual* in the degree to which the boundaries of the *territorial state* had become coextensive with the boundaries of *markets for capital, services, goods and labour*. These boundaries were by no means impermeable, but transactions across them were nevertheless under the effective control of national governments. As a consequence, capital owners were generally restricted to investment opportunities within the national economy, and firms were mainly challenged by domestic competitors" (Scharpf 2000a: 254, emphases mine). He goes on to argue that

> During this period, therefore, the industrial nations of Western Europe *had a chance to develop specifically national versions of the capitalist welfare state* – and their choices were in fact remarkably different. … It was not fully realized at the time, however, how much *the success of market correcting policies did in fact depend on the capacity of the territorial state to control its economic boundaries.* Once this capacity was lost, through the globalization of capital markets and the transnational integration of markets for goods and services, *the "golden years" of the capitalist welfare state came to an end* (Scharpf 2000a: 255, emphases mine).

It is crudely stated but basically captures the point. It is no longer possible to disregard the forces of globalization in discussions about the future of the welfare state, even though their role may be considerably downplayed in some formulations, as we shall see.

Conceptually, Giuliano Bonoli and his colleagues (in *European Welfare Futures*) suggest four different positions regarding welfare state responses to the pressures of globalization. The first three accept the fact that individual countries are part of the global economic

environment and that their welfare systems need to adapt to this new situation, but differ on the kind of adaptation needed. The fourth approach does not see globalization as a major constraining force or suggests that governments can stand up to multi-national enterprises. The three adaptive positions are the following. The first is described under the heading "competitiveness requires a welfare state": globalization necessitates *more*, not less government provision of public services; there are two interrelated reasons – industrial societies in a globalized economy have to compete with one another, and therefore they need first-class education and training for all their citizens; and labor flexibility on a national level must be compensated for by the state through social protection policies (to maintain social justice and social harmony).[29] The second is "globalization against welfare": it is based on the theoretical premise that globalization has intensified the problems created by high levels of public expenditure; this is the neoliberal view in general. The third position is "a compromise between welfare and competitiveness": this approach steers a middle course; while accepting the positive contribution of welfare provision to the life of a nation, it claims that the forces of globalization make certain adjustments and modifications to existing welfare provisions necessary. In this approach, favored by both the EU and OECD, only some "fine tuning" to their public services is necessary in order to improve their competitiveness.[30] Finally, the

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[29] This is also the conclusion Ramesh Mishra comes to in his *Globalization and the Welfare State*, rightly describing it as "paradoxical": "Increasing globalization and competitiveness create economic conditions which require the state or the public sector to play a *more*, not less, important role in social protection. … [A] globalized economy leaves the state, whether national or supranational, as the only stable and legitimate organization able to assume responsibility for adequate social protection (Mishra 1999: 32). As we shall see discussed below, in a European context, the biggest hopes for the future of welfare are cherished with respect to the new form of the European Union. This vision of transnational/transeuropean welfare is shared by both Ulrich Beck and Jürgen Habermas, whose ideas will be discussed later in Chapter 5.

[30] "Competitiveness", following Alesina and Perotti (1997: 921), may be defined in simple economic terms as "unit labor costs in manufacturing in one country, relative to its competitors", so that an improvement in competitiveness is defined as a fall in relative unit labor costs. In thinking about the welfare state and competitiveness, the

fourth approach does not see globalization as a major force exerting an influence on the current problems of the welfare state (see Bonoli et al. 2000: 65–69). The responses of national governments to the pressures of globalization is one line of thinking; another line is the actual influence of globalization pressures on the ongoing redefinition of the welfare state.

4.4. Globalization as *the* Fundamental Factor behind the Retreat of the Welfare State

One of the most radical positions recently taken in the globalization/ /welfare state debates can be exemplified by that of Ramesh Mishra presented in his controversial book *Globalization and the Welfare State* (1999). For Mishra, in the most general terms, the collapse of the socialist alternative together with the fall of the iron curtain was the cause of globalization, and the decline of the nation-state its effect. Consequently, globalization is without doubt now "the essential context of the welfare state" (Mishra 1999: 15). His general description runs as follows:

> three major developments in recent decades have altered the economic, political and ideological context of the welfare state in important ways. They are: the collapse of the socialist alternative, the globalization of the economy, and the relative decline of the nation state. Although overlapping and interrelated, each of these has implications for the welfare state which require us to reconsider some of the basic ideas and assumptions which have guided thinking about social policy and social welfare since the Second World War (Mishra 1999: 1).

First, the collapse of socialism made it clear that the prospect of a systemic alternative to capitalism had disappeared. The inequalities and insecurities of the market society were hard to justify in the

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basic idea from an economist's point of view is simple: "An increase in labor taxation used to finance redistribution to pensioners and/or unemployed workers induces the labor union to increase wage pressure, which in turn induces higher labor costs and a loss of competitiveness. As a consequence, the demand for exports and employment fall" (922).

presence of the socialist world outside and a socialist labor opposition within until the 1970s in the West. Now, after 1989, "the collapse of the socialist alternative and the disappearance of any serious internal threat from the labour movement has made possible *the return of classical capitalism with its ideal of a free market economy and the drive towards deregulation and privatization*" (Mishra 1999: 3, emphasis mine). Second, the globalization of the economy became a reality, especially financial globalization: "the most dramatic and significant change from the viewpoint of the welfare state is that of *financial* globalization" (Mishra 1999: 4). True, this is not new in itself, the example of the United Kingdom before the first world war is a good example, Mishra goes on to argue, "however, *from the standpoint of the welfare state the financial openness of economics is an entirely new and significant development*. The point is that before 1914 when economies were more open, there was no welfare state – no Keynesian macroeconomic management to maintain full employment, no universal social programmes, and no high levels of taxation. Conversely, after WW2 when modern welfare states came into being, Western economies were relatively closed and self-contained" (Mishra 1999: 5). So the crucial issue, as emphasized by Fritz Scharpf, to whom we have already referred above, is the "structural dependence of the welfare state on a relatively closed economy" (Mishra 1999: 5). And third, the nation state declined: the welfare state was developed and still very much remains a "national enterprise"; welfare reforms were to fashion national unity and national purpose and the full employment universal welfare state institutionalized the idea of nations by way of "social citizenship"; as Mishra rightly argues,

> Indeed the idea of maintaining and consolidating the national community – economically, politically and socially – was the ideological underpinning par excellence of the welfare state (Mishra 1999: 12).

Shared national identities, national community, solidarity and the belief in nationhood, largely present in the post-war welfare states, may be disappearing today though; consequently the question Mishra asks is whether the nation state "can survive as anything other than

an institutional legacy of the past in the process of gradual decay" (Mishra 1999: 12). In general terms, the sovereignty and autonomy of nation states are already being curtailed through globalization and such regional economic associations as the EU or NAFTA.

The Keynesian welfare state came into being largely in response to the human and financial costs of mass unemployment. There was also a political element involved, Mishra argues: communism, an alterative form of social system and a serious challenger to capitalism, had abolished unemployment and guaranteed the right to work for everyone.[31] The postwar social compromise was reached because of the threat to private property presented by both socialism and the labor movement and meant the "relative decommodification" of certain life-chances under capitalism (Mishra 1999: 1). Gary Teeple, the author of *Globalization and the Decline of Social Reform*, argues along similar lines: the welfare state came into being in the form of social policies, programs, standards and regulations in order to "mitigate class conflict" and to provide for the "social needs for which the capitalist mode of production in itself has no solution or makes no provision". In the postwar conditions, the welfare state became a "political and economic 'necessity'" (Teeple 1995: 15). State intervention was to help rebuild the war-torn European economies and to contain or diminish a growing interest in socialism, following both the hardships of the 1930s and the devastation brought about by the second world war.[32] As he puts it explicitly,

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[31] Mishra describes the social setting in which the postwar Keynesian welfare state emerged in terms of the challenge that socialism was to the capitalist system at that time as well as between the world wars: "The economic and political crisis of Western capitalism during the interwar years, culminating in the Great Depression and mass unemployment, made it *a social order very much on the defensive. The acceptance*, in broad outline, by the parties of the Right, *of the full employment welfare state was the result*, among other things, *of the growing strength of the left alternative.* … Moreover, a socialist world had come into existence which challenged morally and materially, at least in the early post-war decades, the social system of capitalism" (Mishra 1999: 2, emphases mine).

[32] Paul S. Hewitt, director of the Global Aging Initiative, reminds us that "whatever its humanitarian intent, the creation of the modern welfare state was, at heart, a *pragmatic response* to the social upheaval caused by the large-scale

> Social reforms of one sort or another were politically, economically and socially *necessary* and financially *feasible* with the coming of industrial capitalism, but particularly during the post-World War II reconstruction period (Teeple 1995: 25).

What Mishra sees as new in the situation of the welfare state is providing capital with an "exit" option which strengthened the bargaining power of capital very considerably against both governments and labor movements. Consequently, he claims that "it is not the economic facts about globalization as such but their political implications that make it a new and significant phenomenon. Thus money and investment capital can vote with their feet if they do not like government policies" (Mishra 1999: 6).What is gone, in Mishra's view? Three successive decades after the second world war witnessed a significant improvement in living standards ("full employment, good wages and the growth of social protection helped to secure a measure of redistribution of income and life chances – thus providing security as well as a measure of equity", Mishra 1999: 29) – but now these standards, although still available, have become much more *insecure*.

A crucial role in maintaining in place mainstream social programs in recent years, even though sometimes with cutbacks, has been played by democratic institutions; otherwise, changes in welfare programs would have been much more drastic, as has been the case in the transition countries where electoral democracy and political rights are not as strong or well-grounded in society as in the West. Unfortunately, globalization pressures on the welfare state substantially narrow the choices available to the political parties by way of fiscal and monetary policies and social expenditure (Mishra 1999: 54). Keynesian strategies for maintaining full employment are not working anymore and unemployment becomes chronic, not

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unemployment of the early twentieth century. In order to create prosperity, capitalism required stability. … The ideological turmoil of the 1930s underscored the dangers that democracies courted by permitting unemployment to impoverish large numbers of the younger generation. In the election of 1932, a majority of Germans voted for fascist and communist candidates who promised to end democratic rule" (Hewitt 2002: 13, emphasis mine).

periodic and related to the development cycles of capitalism. As Mishra summarizes the situation faced by governments today, earlier policy options of social democracy (such as e.g. nationalization of industries, high redistributive and progressive taxation, job creation through public sector expansion) have virtually disappeared. As a result,

> At best social democracy is striving to slow down the erosion of social protection and to ensure a more equitable process of retrenchment, i.e. one which protects the weaker and more vulnerable population. Overall, thanks to democratic institutions and electoral considerations, change has been and is likely to be gradual and incremental. Yet the *direction* of change is also clear (Mishra 1999: 55).

Mishra discusses the "logic of globalization" presented in the form of seven propositions. These theses spell out this logic in relation to social policy and social welfare. Let me refer to them now (remembering that Mishra's views are presented here as an exemplification of the position for which globalization changes welfare states futures *radically* and *substantially*) and discuss them in more detail in the context of changing higher education policies:

(1) Globalization undermines the ability of national governments to pursue the objectives of full employment and economic growth through reflationary policies. 'Keynesianism in one country' ceases to be a viable option.
(2) Globalization results in an increasing inequality in wages and working conditions through greater labour market flexibility, a differentiated "post-Fordist" work-force and decentralized collective bargaining. Global competition and mobility of capital result in "social dumping" and a downward shift in wages and working conditions.
(3) Globalization exerts a downward pressure on systems of social protection and social expenditure by prioritizing the reduction of deficits and debt and the lowering of taxation as key objectives of state policy.
(4) Globalization weakens the ideological underpinnings of social protection, especially that of national minimums, by undermining national solidarity and legitimating the inequality of rewards.
(5) Globalization weakens the basis of social partnership and tripartism by shifting the balance of power away from labour and the state and towards capital.

(6) Globalization constrains the policy options of nations by virtually excluding left-or-centre approaches. In this sense it spells the 'end of ideology' as far as welfare state policies are concerned.
(7) The logic of globalization comes into conflict with the "logic" of the national community and democratic politics. Social policy emerges as a major issue of contention between global capitalism and the democratic nation state (Mishra 1999: 16–17).

Now let us analyze whether and to what extent the above propositions of Mishra concerning the "logic of globalization" may refer to higher education, beginning with the first proposition.

His first proposition means the increasing privatization and the shrinking of state welfare (which may be compensated for by private welfare – but with a new distribution of risks and certainties, as discussed by Giuliano Bonoli, following the *Risikogesellschaft* line of thinking common to Beck, Giddens or Lash); the reduction in the number of public sector employees; the end of the option of developing the welfare state through creating new public sector jobs (as in Scandinavian countries), including jobs in higher education; generally speaking, taxation and spending models may be becoming increasingly convergent (following the idea of "investor-friendly" or "business-friendly" climates in particular countries), as funding policies may become with respect to higher education; as well as there being no way to avoid a "globally accepted" downward trend in funding public services in general and a global trend which favors the market rather than the state in providing public services in general. So the prospects for the future seem to be that higher education *will be increasingly seen as part of the public sector*, *with its traditional uniqueness dead and gone*, with all its consequences. One way to break away from this perspective is to view higher education as an investment, rather than a burden, crucial for the development of "knowledge-based" societies and economies or to view higher education through the lens of social capital formation[33]. Martin Carnoy sounds moderately

[33] The "social policy approach" advocated by e.g. James Midgley in "Growth, Redistribution, and Welfare: Toward Social Investment" seeks to harmonize social policy with economic development. The idea is to identify and implement social programs that make positive contributions to economic growth. Midgley suggests we

optimistic when he concludes in his book about globalization and educational reforms that his analysis

> suggests that a major "real" impact of globalization is to change the role of nation-states. Nation-states are becoming limited as direct economic actors and, as a result, are losing political legitimacy. But at the same time, nation-states, and regional and local governments, will depend increasingly for their legitimacy on their *ability to create the conditions for economic and social development*. In the new global economy, these conditions will depend increasingly *on the way the state organizes the education system*. Because knowledge is the most highly valued commodity in the global economy, nations have little choice but to increase their investment in education (Carnoy 1999: 82, emphases mine).

The question is which level of education Carnoy means; it is interesting to note Gøsta Esping-Andersen's arguments *against increasing* investments in higher education for knowledge-based societies (as opposed to massive investments in children and families with children).[34] In his view, a knowledge-intensive economy will lead to a new social polarization and new dualisms. The long-term scenario might very well be "a smattering of 'knowledge islands' in a

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stop defending the traditional welfare state with its provisions and changing perspectives: "Rather than seeking to defend an unworkable redistributive conception of social welfare, social policy advocates should consider the merits of the social development approach that calls for harmonizing social policy and economic development and offers a conception of redistribution based on investments in people and communities. … Traditional rationales for redistribution based on altruism and social rights have lost their resonance" (Midgley 2001: 167).

[34] In his 2001 report to the Belgian Presidency of the European Union (*A New Welfare Architecture for Europe*?), Esping-Andersen argues that vocational training and increased participation in higher education are *unlikely*, by themselves, to solve the problems caused by a fall in the demand for low skill labour: "If fighting social exclusion through employment remains the principal policy goal of the European social model in the early 21st century, the learning offensive will have to be complemented with strategies of raising employment opportunities for low skill workers through other means. In the 1990s, many left-of-centre governments have experimented with various forms of 'activation' measures in the lower tiers of the system of social protection. Activation programs are designed to strengthen and repair the conditional ties between work and income. The underlying philosophy of activation is one of reciprocal obligations" (Esping-Andersen et al. 2001: 230).

great sea of marginalized outsiders". To avoid this bleak development, cognitive capacities and the resource base of citizens must be strengthened. On numerous occasions, he recommends massive investment in children, and families with children (e.g. Esping-Andersen 2002: 3). As he argues,

> The most simple-minded "third way" promoters believe that the population, via education, can be adapted to the market economy and that the social problem will, hence, disappear. *This is a dangerous fallacy*. Education, training or life-long learning cannot be enough. A skill-intensive economy will breed new inequalities; a full-employment service economy will reinforce these. And if we are unwilling to accept low-end services, it will be difficult to avoid widespread unemployment. In any case, education cannot undo differences in people's social capital (Esping-Andersen 2001: 134–35, emphasis mine).

The claim shared by many economists, sociologists and welfare analysts is that the limits of public expenditure and taxation has probably *already* been reached in EU member countries. Investment for the knowledge society is already subject to strong external constraints.[35] Esping-Andersen rightly mentions "the new inequalities and social risks that knowledge-based economies inevitably provoke", "new winners and losers" and a deepening gulf between those with and without skills.[36] He suggests two ground rules for

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[35] Catherine L. Mann argues in "The New Economy: End of the Welfare State?" that the new economy means that the welfare state "must change the way it operates, the way government sets policies on behalf of its citizens, and the way that citizens respond to the marketplace. The New Welfare State for the dynamic environment of the New Economy will be characterized more by incentives and responsibilities than by rule and outcomes. In the Welfare State, policies should focus on enabling transformation to achieve superior productivity and growth, not on avoiding change by moderating possibilities and regulating outcomes. Some might see in this redirection the end of the Welfare State as they know it" (Mann 2001: 2).

[36] Let us remember here an interesting distinction drawn recently in a European Commission communication on *Investing Efficiently in Education and Training* between the "knowledge rich" and the "knowledge poor". As the document argues, "with an increasing premium on skills, the polarisation between the *knowledge rich* and the *knowledge poor* puts strains on economic and social cohesion. Access to employer funded training is often limited to those who are already well qualified and some groups get

policy making: one, "we cannot pursue too one-dimensionally a 'learning society', a human capital-based strategy in the belief that a tide of education will lift all boats. Such a strategy inevitably leaves the less-endowed behind"; and two, "new social policy challenges cannot be met by any additional taxation or spending as a percent of GDP. We must accordingly concentrate on how to improve the status quo" (Esping-Andersen 2001: 146–47). So the pie will have to be divided up differently. Let us remember here Harold A. Hovey's discussion of competing welfare programs in which higher education has recently been less successful than other claimants of government funding. It looks like *the whole traditional post-war slice-cutting of the pie of state funding will have to be renegotiated*. Former winners may be future losers (and vice versa) in the new setting of changing priorities, growing inequalities and possibly new ideas regarding what counts most in our societies and what counts less, and consequently new ideas on how to cut the pie differently. We are in a very dynamic situation right now; it is hard to predict future policy directions, especially that they may differ considerably from country to country, or region to region, although some desirable policy mix to meet the requirements of a "competitive, employment-friendly and equitable welfare state" may be defined in advance (Ferrera et al. 2001: 114).[37]

There are very few social scientists discussing the issue of higher education and the emergent knowledge society who believe that

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locked into the lower end of the labour market. An important challenge is to develop education and training throughout life in such a way that change and restructuring in the economy have no adverse effects on social cohesion" (EC 2003: 8). Although European social policies are very much focused on enabling citizens to make increasing use of educational opportunities throughout life, in most if not all transition countries this dimension seems largely absent, despite the efforts of governments to promote lifelong learning. The education available is still tailored to students of 19–24 years of age.

[37] Such a desirable policy mix is defined by Ferrera, Hemerijck and Rhodes in "The Future of Social Europe: Recasting Work and Welfare in the New Economy" in the following way: "a robust macroeconomic policy; wage moderation and flexibility (achieved where possible within broader 'social pacts'); employment-friendly and efficient tax social policy; labour market 'flexicurity' [secured flexible employment]; and new methods of tackling poverty and social exclusion" (Ferrera et al. 2001: 115).

globalization may actually encourage increases in spending on education from the public purse, at the expense of other programs of the welfare state. One of them is Vito Tanzi from the IMF who in his recent paper on "Taxation and the Future of Social Protection" claims that

> globalization may create pressures for increased spending for education, training, research and development, the environment, infrastructures, and for institutional changes partly to increase efficiency and partly to comply with international agreements. These expenditures are consistent with the traditional or basic role of the state in its allocation function. Thus, expenditure for social protection, which is a newcomer in the role of the state, could be squeezed between falling revenue and increasing needs for more traditional types of spending. In such a situation, the state will need to rethink its role in the economy (Tanzi 2001: 196).

This approach is very rare indeed. Although theoretically it is possible to claim increases in the share of the public funds for national public higher education systems using the "knowledge-based society" argumentation, in practice it has not worked in any of the major OECD countries or European transition countries so far. The situation of financing higher education recalls that of raising taxes for the sake of raising the standards of welfare provisions: everyone would like to have better public universities but no one is willing to pay higher taxes for this reason (compare the generally supportive attitude towards welfare opposed to the unwillingness to be taxed accordingly). The future of public universities in Europe is discussed separately in Chapter 6 on the emergent "knowledge-based" society in a European context, and as shown in detail there, the option of more *public* funding for higher education or research and development in the future is explicitly excluded.[38]

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[38] Thinking of the emergent European Research Area, let us remember briefly the European Commission's views: "it is very important to realise that the largest share of this deficit stems from the low level of private investment in higher education and research and development in the EU compared with the USA. At the same time, private returns on investment in tertiary education remain high in most EU countries". Consequently, the thesis of the communication on *Investing Efficiently in Education and Training: an Imperative for Europe* is that "faced with relatively low private investment

Now let us turn to Mishra's second proposition about "changing working conditions through greater labour flexibility" – which applies directly to the academic world. The issue of the academic profession working under new pressures has been discussed thoroughly in recent years and there is no need to develop this theme here. Research has been done both in an Anglo-Saxon context and in that of the European Union (see especially Currie and Newson 1998; Leslie and Slaughter 2001; Burbules and Torres 2000; Enders 2000; Altbach 2002; de Weert and Enders 2004). The changing academic workplace has been widely debated in recent years. Mishra's third proposition, relating globalization to the new prioritization of reducing deficits and debts and lowering taxation as objectives of state policy, directly affects the public funding available to higher education but has already been dealt with in the present chapter.

Mishra in his glosses on the fourth thesis argues that a national minimum standard of living in the period of the Keynesian welfare state was to be in the nature of a *right* of all citizens,

> virtually a function of citizenship or membership of the national community. … The welfare state itself has been very much a national enterprise fuelled by nationalistic aspirations and the desire for national integration. In place of a nation divided and weakened by class and regional inequalities, the welfare state was to create one nation united on the basis of *social citizenship* (Mishra 1999: 99, emphasis mine).

As we present it in the chapters on the modern idea of the university and on the relations between the university/globalization/ /nation-state, what Mishra calls "nationalistic aspirations and the desire for national integration" had lain precisely at the foundations of modern universities as well. In the period of the postwar welfare state, with the growing student enrollment rates all over Europe and in all advanced countries, the linkage between the welfare state and

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levels and high private returns on university education, the main responsibility of authorities is not only to continue to provide higher education institutions and students with a sufficient level of public funding, but also to find ways to add to it by increasing and diversifying private investment in higher education". What is needed is therefore a "combination of *targeted public investments and higher private contributions*" (EC 2003a: 13, 15, emphasis mine).

the massification of higher education had intensified. In different countries to different degrees, in the last two decades at least, higher education in a European context has been increasingly seen as a citizens' right, a function of citizenship (in most communist countries, additionally, higher education was mostly guaranteed by their constitutions to be "free", but the elite nature of higher education and relatively low enrollments until the beginning of the 1990s must be remembered too[39]).

Mishra's fifth proposition does not seem to be directly related to education, even though in an indirect way the shifting of power away from the state and towards capital certainly weakens the bargaining position of universities. As emphasized here several times already: a good "investment climate" as valued by capital and markets does not go hand in hand with high (or above average) public spending, including public spending on higher education. The sixth proposition refers to higher education in the same indirect way: only some policy options are available to most national governments today, and the general attitude towards welfare, whether we like it or not (and whether we see it or not), especially in transition countries, is largely neoliberal.[40] And in this context, obviously, the minimal – or "efficient" – state with minimal (or efficient) public services (as opposed to private services), is the policy ideal. Finally, the seventh proposition is crucial. As Mishra succinctly puts it, "globalization is

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[39] Speaking of low and high enrollments, it is useful to have a longer historical perspective than the modern university: see e.g. L.W.B. Brockliss' "Patterns of Attendance at the University of Paris, 1400–1800" (1978) and *Statistics of the German Universities, from a recent work on German University Education by Dr. Perry, of Göttingen, by James Heywood* (1845). *Read before the statistical section of the British Association at Cambridge, 19th June, 1845.*

[40] As Gary Teeple comments, "now introduced into almost every country of the world, neo-liberal policies are the hallmark of the transition between two eras. They are the policy changes that will 'harmonize' the world of national capitals and nation-states, creating a global system of internationalized capital and supranational institutions". Consequently, "neo-liberalism has increasingly come to appear as *a set of ideas 'whose time has come'*, while social democracy, trade unionism, and the Keynesian welfare state have begun to appear more and more anachronistic" (Teeple 1995: 2, 3, emphasis mine).

about turning the whole world into a giant market place where national boundaries mean, or should mean, little" (Mishra 1999: 105). For higher education this is very true indeed, especially in the context of the GATS negotiations in which trade in "educational services" may be treated like any other trade in any other services. I am not going to develop the issue here but the debates about the collapse of the ideal of the "public good" in recent years in connection with the GATS negotiations have been enormous.[41]

4.5. Current Transformations of Western Welfare States: The Role of Globalization vs. The Role of Internal Developments

The opposite view about the role of globalization in bringing about the retrenchment of the welfare state is presented by Harvard-based Paul Pierson (and his colleagues from a recent interesting international research program). At the beginning of the 1990s Pierson was engaged in research on the "retrenchment" of the welfare

[41] In his "Higher Education and the WTO: Globalization Run Amok", Philip G. Altbach observed that "the trade in higher education is, of course, more difficult to codify than bananas. But efforts are now under way to do precisely this – to create a regime of guidelines and regulations to institute free trade in higher education. … Educational products of all kinds would be freely exported from one country to another. Copyright, patent, and licensing regulations, already part of international treaties, would be further reinforced. It would become very difficult to regulate the trade in academic institutions, programs, degrees, or products across international borders. Those wishing to engage in such imports and exports would have recourse to international tribunals and legal action. At present the jurisdiction over higher education is entirely in the hands of national authorities" (Altbach 2001: 2). Susan L. Robertson reminds that "there is clearly a great deal at stake, and it is critically important that a wider ranging debate takes place in a range of communities, including the academy, about what GATS means for national education systems, of whether these developments are desirable or not and for whom, and what might be done to, slow down, halt or even reverse decisions that have already been made" (Robertson 2003a: 260). See a special issue of *Globalisation, Societies and Education* devoted to "WTO/GATS and the Global Education Services Industry" (November 2003). See also Larsen et al. 2001 and Sauvé 2003, and criticism of them in Roberson 2003b.

state which resulted in a ground-breaking book *Dismantling the Welfare State? Reagan, Thatcher, and the Politics of Retrenchment* (1994). It was followed by two already classic papers in welfare studies, "The New Politics of the Welfare State" (from *World Politics*, 1996) and "Coping with Permanent Austerity: Welfare State Restructuring in Affluent Democracies" (2001a).

In the most general terms, Pierson claims that the globalization thesis *overlooks* the social facts, *overestimates* the role of international factors at the expense of domestic ones, and owes its popularity among social scientists to the correlation in timing between the internal problems of the welfare state and the resurgence of globalization. He formulates his thesis as follows:

> changes in the global economy are important, but it is primarily social and economic transformations occurring *within affluent democracies* that generate fiscal strain. Slower economic growth associated with the transition to a post-industrial economy, the maturation of government policy commitments, and population ageing and changing household structures have all combined to create a context of essentially permanent austerity (Pierson 2001a: 13, emphasis mine).

He is especially interested in the apparent causal explanation for the linkage between globalization and the reformulation of the welfare state. He believes that what makes the globalization thesis so convincing is the undeniable difficulty that governments now face in funding their social commitments:

> Austerity has been on the agenda everywhere, and the intensity of fiscal pressures is clearly growing. Governments appear increasingly unable to respond to new demands. *The correlation in timing* between globalization, on the one hand, and both mounting demands for austerity and strong indications of lost policy making capacity, on the other, has lent credence to claims of a causal relationship between globalization and a weakening nation-state (Pierson 2001c: 81, emphasis mine).

While Pierson admits that welfare states face an unprecedented level of budgetary stress today, he claims that this stress is related to "post-industrial" changes characteristic of affluent democracies. In the most explicit passage, he claims that "to focus on globalization is to

mistake the essential nature of the problem. Perhaps, one might say, it does not matter. Regardless of the source of pressure, the strains are very real. Yet it is important to get the causal story right" (Pierson 2001c: 82). Perhaps the most important part of the picture Pierson draws is the question whether, in the absence of globalization, welfare states would be in *a radically different situation* or national policy makers would be more capable of addressing new public demands. His answer is in the negative (Pierson 2001c: 82).

This is a crucial point: would it really be different without the pressures associated with the global integration of economies? I believe Pierson's theses are very strong, but I am not quite sure we get from him the convincing arguments that globalization just does not matter. I believe the situation affluent industrialized countries are in is strongly shaped by global pressures, as is the selection of policy options at their disposal to meet new demands; there is an interplay of international and domestic factors and it is very hard to distill them in today's world. For it is not only the real impact that globalization is having on societies; it is also, I would argue, the way social, economic, and political problems are actually *perceived* as problems, i.e. ideology. Pierson may be right about the real influence, in measurable terms, of the internationalization of the economy on the welfare state. He is very much correct about the growing domestic pressures common to all major affluent democracies; that they do not have much to do with globalization. But the way they are perceived by governments and policy makers, the way they are framed for public discussions, the way they enter the social world through the social sciences, experts and the media – seems crucial. In this sense, globalization is indeed much more than a simple economic phenomenon; it has to do with the way we do politics and the way we run businesses, the way we think of our states and our universities; the way we think of ourselves.

The social phenomena of greatest interest to me in the present book – the recommodification of society, the desocialization of the economy, the denationalization of both societies and economies, the deterritorialization and despatialization of economic activities, the changing distribution of risks in society, the growing individualization,

the growing market orientation in thinking about the state and public services, the disempowerment of the nation-state, the globalization and transnationalization of welfare spending patterns, the detraditionalization of nationhood and citizenship – all influence the way welfare issues are perceived, how problems are seen as problems and solutions accepted as solutions. And these processes are *at least intensified* by globalization to a large extent (as Martin Carnoy in his book about globalization and educational policies reminds us, "the essence of globalization" is contained in "a new way of thinking about economic and social space and time. Firms, workers, students, and even children watching television or using the Internet at school, are reconceptualizing their 'world'" (Carnoy 1999: 19). Consequently, I would be very unwilling to disregard the impact of globalization on the situation of the welfare state today because what we can see and how we can see the issue is largely framed by the processes, phenomena and interpretations that globalization has already brought about.

Pierson distinguishes four major transitions in Western welfare democracies and discusses their relationship to globalization: "the slowdown in the growth of productivity (and consequently economic growth) associated with a massive shift from manufacturing to service employment; the gradual expansion, maturation, and 'growth to limits' of governmental commitments; the demographic shift to an older population; and the restructuring of households and their relationship to the world of paid employment. Each of these transitions constitutes a powerful and continuing source of pressure on the welfare states of affluent democracies. Globalization is essentially unrelated to the last three of these transitions; its links to the first transformation are at best modest" (Pierson 2001c: 83). In his view, globalization *accompanied* these transitions; it *accentuated* and *modified* the pressures on welfare states. But it is these transitions to post-industrialism that "made the real difference" (Pierson 2001c: 83).

His explanation seems to show only part of the picture; part of it which is much less measurable and much less economic in nature somehow seems to get lost:

> the fundamental symptoms of declining governmental capacity and mounting budgetary stress would clearly be with us even in the absence of

> trends associated with globalization. This is not to suggest that increasing economic integration is unimportant, or to dismiss the linkages between international and domestic developments. Such links, however, are likely to be more modest, complex and bi-directional than is commonly suggested. At the same time, we need to pay more attention than has recently been the case to profound social transformations that are *essentially domestic* in character. Societies are becoming more service-based, with a consequential decline in productivity growth. Social programmers have grown to maturity. Populations are getting older. Household structures are changing dramatically. These trends, loosely lumped under the label of post-industrialism, explain most of the strain facing the welfare states of affluent societies" (Pierson 2001c: 98–9, emphasis mine).

What is important for our purposes here, though, is the current state of affairs, regardless – to some extent – of whether the (Pierson) causal story is right. No matter which of the two extreme positions on the globalization/welfare state relationship we follow (whether Mishra's strong link or Pierson's weak one, as representatives of both camps) the point of arrival is roughly the same. This is exactly what Pierson admits at some point:

> To say that the role of globalization in the transformation of welfare states has been overstated is not to deny that fiscal strains on welfare states are real. Quite the contrary. Welfare states are under intense budgetary pressure, and that pressure is likely to remain and indeed intensify. In this crucial respect the current analysis echoes a central implication of the globalization story. *For practical purposes, we have reached a situation of permanent austerity* (Pierson 2001c: 99, emphasis mine).

4.6. Conclusions

Consequently, for the purposes of this book, it actually does not make a lot of difference which factors have been more important in bringing us to the point where we are; the future of the welfare state and its services, including public higher education, looks roughly similar. For me it is important to realize where we are and where we might be heading in the coming decades. Unfortunately, most lines of argumentation point in the same direction, even though the concepts

used may be different. And additionally, the story gets even more homogenous if we leave the domain of "affluent" democracies which have inherited their welfare provisions from the "Golden age" and pass on to most developing countries and the European transition countries, which are of greatest interest to me. In this new context, many discussions about welfare futures seem academic: what they shyly predict for affluent democracies in the future is *in fact* already happening in transition economies; happening in full swing, with almost no other policy options being considered; sometimes with no other options being supported, championed or acclaimed by these very same affluent democracies. There is certainly a lot of social experimentation with respect to welfare going on in the transition countries. It could even be argued that the future directions of welfare transformations in Western democracies are being *experimented with* to various degrees of success in transition countries; in some areas, like pensions reform with the three-pillar model designed by the World Bank and applied in some Latin American and European transition countries, this intention happens to be formulated explicitly.

CHAPTER 5

Globalization, the Welfare State, and the Future of Democracy

5.1. The "Postnational Constellation" and the End of the Postwar Welfare-State Compromise (Jürgen Habermas)

Having discussed the future of the welfare state from the perspective of (mainly) political scientists and researchers on welfare issues, I would like now to pass on to a more general part of the emergent social picture: I want to discuss the nexus of our understanding of globalization, the future of the welfare-state and the future of democracy as analysed by three leading European social scientists – two sociologists and a philosopher. They view the issue from an even wider perspective and provide, through their rethinking of the welfare state, additional arguments for my point that the transformation of public higher education on a global scale is unavoidable if the transformation of the state, including the welfare state, goes along the lines sketched in the present book.

The social thinkers in question are: Jürgen Habermas, perhaps the most famous living German philosopher, as the author of *The Postnational Constellation*; followed by Ulrich Beck, perhaps the most famous living German sociologist, author of several important recent books including *What is Globalization*?, *The Brave New World of Work* and *The World Risk Society*; and finally Zygmunt Bauman, one of the most famous British sociologists (as Anthony Giddens wrote:

the sociologist of postmodernity), author of *The Individulized Society*, *Wasted Lives*: *Modernity and Its Outcasts* and *Globalization*: *the Human Consequences*.

Let us begin with Jürgen Habermas. In his view, globalization heralds the end of the dominance of the nation-state as a model of political organization. It *fundamentally challenges* the relevance of the nation-state – but at the same time, there seems to be no guarantee that the nation-state will be replaced by anything *better*, as Max Pensky comments in his introduction to *The Postnational Constellation. Political Essays*. The problem we will all face in the 21st century is the following: "can democracies based on social welfare survive beyond national borders?". The answer is a federalist, socially and economically effective European Union (Habermas 2001b: xix). In these essays, Habermas also refers to the "end" and the "revocation" of the welfare-state compromise of the postwar period in Europe as a defining feature of the new situation in affluent Western European democracies. He summarizes the current problems of the welfare state in the following way:

> Ironically, developed societies in the twenty-first century are faced with the reappearance of a problem they seemed to have only recently solved under the pressure of systematic competition. The problem is as old as capitalism itself: how to make the most effective use of the allocative and innovative functions of self-regulating markets, while simultaneously avoiding unequal patterns of distribution and other social costs that are incompatible with the conditions for social integration in liberal democratic states. In the mixed economies of the West, states had a considerable portion of the domestic product at their disposal, and could therefore use transfer payments, subsidies, and effective policies in the areas of infrastructure, employment and social security. They were able to exert a definite influence on the overall conditions of production and distribution with the goal of maintaining growth, stable prices, and full employment. In other words, by applying growth-stimulating measures on the one side, and social policies on the other, *the regulatory state could simultaneously stimulate the economy and guarantee social integration* (Habermas 20001b: 50, emphasis mine).

The golden era of the Western European Keynesian welfare state is certainly over though, and nation-states have fewer and fewer policy

options open to them, Habermas claims; there can be no discussion with the data and its interpretation. Habermas, with respect to the future of the current welfare state, is in agreement with Anthony Giddens and Ulrich Beck, Scott Lash and Zygmunt Bauman as well as many other contemporary social thinkers. He has no hesitations when he makes the point that "the welfare state mass democracies on the Western model now face the end of a 200-year developmental process that began with the revolutionary birth of modern nation-states" (Habermas 2001b: 60). The idea of the welfare state has so far been realized only in the framework of the nation-state, but the nation-state is reaching "the limits of its capacities" in the changed context defined by global society and the global economy, as he argues in a paper "Crossing Globalization's Valley of Tears" (Habermas 2000: 51).

Traditionally, and especially in the postwar period, the state, society and the economy were co-extensive within *national* boundaries.[1] He dubs the new reality and the radically new historical configuration the *postnational constellation* which justifies the development of a new "postnational" political project accompanied by a transition to a new cosmopolitan law.[2] Generally, Habermas' political project presented in *The Postnational Constellation*

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[1] By contrast, international "footlose" capital "exempt from the obligation to stay at home in its search for investment opportunities and speculative profits can threaten to exercise its exit option whenever a government puts burdensome constraints on the conditions for domestic investment in the attempt to protect social standards, maintain job security or preserve its own ability to manage demand" (Habermas 2000: 53).

[2] For a strong criticism of Habermas' stance towards globalization, see Klaus-Gerd Giesen's "The Post-National Constellation: Habermas and the 'Second Modernity'" (Giesen 2004). His conception of the cosmopolitan law is "fundamentally anti-democratic". Commenting on recent works by Habermas, Giddens, and Beck, he argues that "the political transition towards cosmopolitan law proposed by Habermas corresponds exactly to the move into a second modernity, a 'postnational age' of world governance. If the new Habermas finds enough allies, we should perhaps resign ourselves to living in an age when intellectuals of all persuasions back down one after another in the face of the demands of the strong. After the Age of Reason, it would seem … we are now well into the Age of Abdication" (Giesen 2004: 6, 13). Strong words indeed.

encompasses the idea that globalization can only be mastered by delegating state prerogatives to a regional supranational organization, in the case of Europe – to the EU (see Giesen 2004: 8ff). His diagnosis is the following: "the phenomena of the territorial state, the nation, and a popular economy constituted within national borders formed a historical constellation in which the democratic process assumed a more or less convincing institutional form". What is happening today is that developments summarized under the rubric "globalization" *have put this entire constellation into question* (Habermas 2001b: 60). The postnational constellation is bringing to an end a situation in which politics and the legal system intermeshed with economic cycles and national traditions within the boundaries of nation-states (Habermas 2000: 52). The dilemma national governments face today derives from the zero-sum game into which they have been forced and it is described by Habermas in the following manner: necessary *economic* objectives can be reached only at the expense of *social* and *political* objectives. The dilemma is elaborated in the form of two theses:

> First, the economic problems besetting affluent societies can be explained by a structural transformation of the world economic system, a transformation characterized by the term "globalization". Second, this transformation so *radically reduces nation-states*' capacity for action that the options remaining open to them are *not sufficient to shield their populations from the undesired social and political consequences of a transnational economy* (Habermas 2001b: 51, emphasis mine).

Habermas fully acknowledges the significance of the impact of current global transformations on the traditional European welfare state models and on the growing incapacity of national governments to conduct national policies, traditionally ascribed to nation-states. His conclusions are clear-cut and reflect a deeply historical perspective from observing the last half a century in Europe:

> no matter how one looks at it, the globalization of the economy destroys a historical constellation that made the welfare state compromise *temporarily* possible. Even if this compromise was never the ideal solution for a problem inherent within capitalism itself, it nevertheless *held capitalism's social costs within tolerable limits* (Habermas 2001b: 52, emphases mine).

What must be especially hard to acknowledge for such a universalistically-minded social philosopher as Habermas is the *contingency* of post-war European social developments (which, incidentally, brings him very close to the general philosophical principles of Richard Rorty among which the notion of contingency plays a crucial role, see Kwiek 2004a, 2003d, 1998b, 1996). It was Gøsta Esping-Andersen who made the excellent point that *the contemporary welfare state addresses a past social order* (Esping Andersen 1996: 9). There was no historical necessity for the appearance and evolution of the European welfare state in the way it actually appeared and evolved; it merely *happened* due to unexpected historical circumstances and most Europeans have already forgotten that these circumstance were related to a particular place and time: the social, political and economic circumstances following the second world war.[3] Habermas thus presents in his essays a historical and political narrative with a beginning (the emergence of the postwar "national constellation" which gave rise to the development of the Keynesian welfare state in Europe) and an end (the emergence of the current, globalization-related "postnational constellation" in which the traditional form of the welfare state is being questioned). Let me quote him here *in extenso*:

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[3] These unusual circumstances in the decades following the second world war – in Fritz Scharpf's formulation in "Globalization and the Welfare State. Constraints, Challenges and Vulnerabilities" – included the conditions "in which *the nation state was able to exercise a historically exceptional degree of control over its own economic boundaries.* As governments were able to regulate capital movements, to determine exchange rates, and to adjust tariffs to imports, external economic factors had little or no influence on domestic policy choices" (Scharpf 2000b: 1, emphasis mine). Currently, even under the liberal regimes of the WTO, governments have not abdicated their capacity for border control and the freedom of world trade is still constrained. It is different in the European Union where legal and administrative restrictions against the free movement of goods and capital have been completely removed. As Scharpf comments, "as a consequence, the capacity of national governments to protect domestic firms against competitors producing under different regulatory regimes abroad has been eliminated, and their capacity to tax and to regulate domestic capital and business firms is now limited by the fear of capital flight and the relocation of production" (Scharpf 1996: 6).

> In some *privileged regions of the world*, and under *the favorable conditions of the postwar period*, the nation-state – which had in the meantime established the worldwide model for political organization – succeeded in transforming itself into a social welfare state by regulating the national economy without interfering with its self-correcting mechanisms. But this successful combination is menaced by a global economy that now increasingly escapes the control of a regulatory state. Obviously, welfare-state functions can be maintained at their previous level only if they are transferred from the nation-state to larger political entities which could manage to keep pace with a transnational economy (Habermas 2001b: 52, emphasis mine).

The possible solution to social problems, both for Habermas and for Ulrich Beck, lies in the integrated Europe of the future – that is, at the level of the supranational authorities of a federal European state ("the European Union as the initial form for a postnational democracy" in the case of Habermas, or as Beck formulates his argument, "without Europe there can be no response to globalization … There is no national way out of the global trap"[4]). The application of corrective

[4] Claus Offe in his paper on "The Democratic Welfare State" (2000) shows how difficult it is going to be to find possible foundations for European "identity" in the presence of the European "democratic deficit". He argues that "the optimistic view of Europe is that the European Union will steadily acquire greater legitimacy by virtue of its perceived accomplishments, the growing familiarity of European citizens, and gradual institutional innovation. The democratic deficit, in other words, will wither away of its own accord. A less optimistic, but perhaps more realistic alternative can be summed up in the proposition that the horizons of trust and solidarity and the potential for creating a community on a civic-societal and republican-political basis narrows as the frame of reference for relations of competition and interdependence widens". Based on the fact that, historically, the largest social body capable of supporting redistributive sacrifices has been the nation state, his conclusions are that "we should expect resistance to be all the greater when the demands of distribution are extended beyond that entity. Individuals begin to feel that excessive moral demands are being made of them, and they react by morally under-challenging themselves". Consequently, the social welfare state and democracy can be realized "only 'within borders'; that is, within a mode of socialization limited to the nation-state whose protagonists recognize each other as worthy of trust and solidarity and who perceive each other as equal participants in a community of law, which is enduring and binding for all" (Offe 2000: 24–25). In the context of Robert B. Reich's *The Work of Nations* (1992), the idea of trust and solidarity between different segments of the population of the nation-state as expressed in the metaphor of being in the same

measures to markets and the setting up of redistributive regulatory mechanisms under globalization pressures is possible, Habermas argues, only if the European Union evolves beyond its current form of an interstate alliance towards a "true federation", (Habermas 2000: 55). It is also interesting to refer Habermas' "privileged regions of the world" and "favorable conditions" to the postcommunist transition countries of Central and Eastern Europe today. From a historical perspective, the issue is quite clear: neither the so called "European social model"[5] nor any of the European "welfare state regimes" (Esping-Andersen) available today are valid in most transition countries in question, at least in the full forms discussed or enacted in the West in the postwar period.[6] From a global perspective, the emergence of fully-fledged Continental welfare states there looks

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common national boat called the national economy seems endangered too. The emergent transnational capitalist class [TCC] as analyzed recently by Leslie Sklair seems to have different loyalties and follow values other than national; as Sklair argues, TCC "is domiciled in and identified with no particular country but, on the contrary, is identified with the global capitalist system" (Sklair 2001: 10). EU bureaucrats might be another interesting research topic in this context.

[5] The "social dimension" in EU legislation can be traced back to the Treaty of Rome, the Social Charter of 1961 and the Maastricht Treaty. In the new draft a "Treaty Establishing a Constitution of Europe" (which has not been adopted so far) in Part III – The Policies and Functioning of the Union – there are chapters on the internal market (I), economic and monetary policy (II), and policies in other specific areas such as freedom, security and justice, as well as "areas where the Union may take coordinating, complementary or supporting action"(III). Social policy is included in section 2 of Chapter III, together with such other sections as e.g. employment, consumer protection, transport, research and energy. Part IV (on "Solidarity") basically repeats the formulations from the 2000 "Charter on Fundamental Rights of the European Union".

[6] I am in full agreement with Zsuzsa Ferge that in the transition countries there is no unique label for emergent welfare systems (except perhaps in terms of their neo-liberal nature) but they share one feature: "the *absence* of a project for a welfare system which would significantly mitigate the costs of the transition in the short run, and would promote the emancipatory dimension of social policy as well as the formation of an integrated society in the long run" (Ferge 2001a: 131). Poland, with its unemployment rate reaching 20% in recent years, is a good example. The argument of social Darwinists would perhaps be that this is exactly the (necessary) cost for an otherwise mostly quite successful transition away from a command-driven economy.

merely out of the question. Most new Central and East European EU entrants do not fit any of the three Esping-Andersen welfare state regimes – neither the liberal, nor the social democratic, nor the continental; the closest in the future is probably the liberal regime as it appears in Australia, Canada, New Zealand, the USA and the UK).[7] Habermas is very well aware that the economic expectations of the European population towards the newly enlarged European Union, especially of new EU members, cannot suffice; what is required is the "legitimisation of shared values", as he explains in a paper "Why Europe Needs a Constitution". During the third quarter of the last century, citizens of Western Europe were fortunate to develop a "distinctive form of life" based on "a glittering material infrastructure". Today, under globalization, they are prepared to defend the core of a welfare state in a society oriented towards social, political and cultural inclusion (Habermas 2001a: 8–9). The general thesis of "The Post-national Constellation and the Future of Democracy" is reformulated in the paper on the European Constitution:

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[7] Guy Standing in analyzing welfare transitions in CEE countries notes that underlying the debates has been the most basic dilemma: "how to provide greater social protection for the growing number of people in need, while cutting back on total social expenditure because of actual or perceived resource constraints" (Standing 1996: 225). It is interesting to remember in this context what Martin Carnoy claims about the real and perceived impact of globalization on educational policies: "the approach governments take in educational reform, hence their educational response to globalization, depends on three key factors: their *objective* financial situation, their *interpretation* of that situation, and their *ideological* position regarding the role of the public sector in education. These three elements are expressed through the way that countries 'structurally adjust' their economies to the new globalized environment". As a result, "to what extent public resources for education in a particular country really cannot be increased, and to what extent the 'shortage' of public funding represents an ideological preference for private investment in education is crucial to educational policy-making in the new global environment. It does make a major difference to educational delivery how the role of the public sector in education expansion and improvement is played out" (Carnoy 1999: 47, 51). Paul Wilding argues in a similar vein: "there is, of course, much debate as to what globalization is – or even whether it is. *In a sense, that does not matter. If governments believe it is happening and has certain consequences, it is real because it will influence perceptions and policies*" (Wilding 2000: 15, emphasis mine). See also United Nations (2001).

> [N]ational governments, whatever their internal profiles, are increasingly entangled in transnational networks, and thereby become ever more dependent on *asymmetrically negotiated* outcomes. Whatever social policies they choose, they must adapt to social constraints imposed by deregulated markets – in particular global financial markets. That means lower taxes and fiscal limits which compel them to accept increasing inequalities in the distribution of the gross national product. The question therefore is: can any of our small or medium, *entangled and accommodating* nation-states preserve a separate capacity to escape enforced assimilation to the social model now imposed by the predominant global economic regime? (Habermas 2001a: 11).

The answer to the last question is certainly in the negative, and hence the growing significance of the European project for Habermas.

For Habermas, the most significant dimension of globalization is *economic* (Habermas 2001b: 66). The main questions he asks are which aspects of globalization could degrade the capacity for democratic self-steering within a national society and are there any "functional equivalents" at the supranational level for deficits that emerge at the nation-state level. The conventional model of the state is less and less appropriate to the current situation:

> As we consider the "disempowerment" of the nation-state, we think in the first instance of the long-established transformations of the modern state that first emerged with the Peace of Westphalia. … According to this model, the world of states consists of nation-states regarded as independent actors within an anarchic environment, who make more or less rational decisions in pursuit of the preservation and expansion of their own power. The picture changes very little if states are seen as economic utility maximizers instead of accumulators of political power (Habermas 2001b: 69).

The global age introduces a new quality (or as the "manifesto" of Beck's Suhrkamp series – to which both Giddens and Habermas contributed – put it, "a world order has collapsed! What a chance for a new departure towards a second modernity!", as Giesen also reminds us, Giesen 2004: 12); to quote two memorable phrases Habermas used, "power can be democratized; money cannot" and "money replaces power" (Habermas 2001b: 78). Under the pressure of globalizing markets national governments lose their capacity to influence economic cycles, so there remains little room for the effective exercise of legitimized domestic policy.

As markets become increasingly more important than politics, the nation state increasingly loses its capacity to raise taxes and stimulate growth, and with it the ability "to secure the essential foundations of its own legitimacy" (Habermas 2001b: 79). "Denationalization" forces societies constituted as nation states to "open" themselves up to an economically-driven world society. Nation-states seem to be losing both their capacity for action and the stability of their collective identities, and hence fears about the disempowering effects of globalization are far from unjustified. The fading away of the "national constellation" brings to the life far-reaching consequences for the Keynesian model of the welfare state – the "compromise" reached after the second world war is over, and so may be the taming of capitalism brought about by the historical circumstances of that period. European states no longer have the necessary resources for the continuation of the traditional European welfare state model, and with globalization forces in operation, the old problem of how to combine the self-regulating nature of markets with the social dimension, especially the changing patterns in the distribution of the gross national product, has reappeared. And in a European context, whenever we mention the welfare state, we also have to mean public higher education and its traditional postwar modes of functioning. The possible reformulation of the welfare state – possibly different in different European economies, or according to some common European guidelines currently being tentatively worked out by the European Commission – are bound to lead to new conceptualizations of how our universities are going to be functioning in changing social and economic realities.

5.2. The "Second Modernity" and the Broken Historical Bond between Capitalism, the Welfare State, and Democracy (Ulrich Beck)

Let us pass on now to Ulrich Beck, the second of the three social thinkers to be discussed here briefly in the context of the future of the welfare state and the impact of globalization on it. In the most general

terms, in thinking of radical transformations of contemporary society, a number of key sociological and philosophical concepts have been evoked over the last two decades and even from slightly earlier (some of them have been discussed in the present book): the "postindustrial society" as developed for the first time by Daniel Bell; "postmodernity" as developed by Jean-François Lyotard, "postmodernity" and "liquid modernity" as elaborated by Zygmunt Bauman; "late modernity" as presented by Anthony Giddens; the "postnational constellation" as elaborated in Jürgen Habermas' political essays; "cosmopolitan democracy" as viewed by David Held; the "network society" from the Manuel Castells' famous trilogy on *The Information Age*; as well as "post-Fordism", "post-Taylorism", "post work" society etc. Also the emergent "knowledge society" and "knowledge economy" are accompanying concepts from the international and transnational discourses on the current economic and political changes in the developed world, especially as conceptualized by the reports from the OECD and the European Commission. They usually emphasize different aspects of the rapidly changing social reality; all of them testify, though, to a sense of *substantial* social transformations, in some cases also a sense of a *radical* rupture with the past. In the case of Ulrich Beck, the key concepts relating to the present are the "risk society" and the "second, postnational modernity".

For Beck, it is the processes of globalization that define our current social reality. In the paradigm of the second modernity, Beck argues, "globalization is no longer understood as external and additive, but replaces the 'container image' of society and the state. It designates a transnational, despatialized power game whose rules and boundaries, paradoxes and dilemmas, first have to be deciphered" (Beck 2000b: 28–29). There is a far-reaching parallelism between the social diagnoses with respect to globalization presented by Ulrich Beck, Zygmunt Bauman and Jürgen Habermas, even though it will be useful to see the differences between them too. The key themes from Beck's recent writings of major interest to us here are the following: the passage from the first, *national*, to the second, *postnational*, modernity; the passage from the work society to the risk society (*Risikogesellschaft*); general uncertainty, insecurity, and

unclarity of individual and collective futures[8]; the first, industrial modernization and the second, reflexive modernization; the end of a historical bond between capitalism, the welfare state and democracy; the future of political freedom and democracy in a post-work European society; democracy as work-democracy – the material security of citizens vs. their political freedom; the interplay of transnational and national dimensions of the social; the future of social justice in an age of globality; and certainly the future of European welfare states. All of them are very closely interrelated and together form a coherent sociological and political account of current realities.

Beck in his analyses moves back and forth between the results of empirically-based studies combined with international data and high-level theoretical sociological conclusions (calling his genre of writing "visionary non-fiction", Beck 2000a: 8). It is very interesting to see how the two planes reinforce each other and make his claims intellectually convincing. Generally speaking, what is crucial for us here is his emphasis on the *radicalism* of current social transformations in his analyses: in brief, and simplifying his views to the extreme, the picture of society is changing dramatically right before our eyes; the globalization processes are irreversible; the welfare state cannot be revived on a national level (although it might be revived on a regional, European level); the work society based on the territorial nation-states in which we are used to living is right now breaking apart; the social contract between capitalism, the welfare state and democracy is broken[9]; we are living in a world of *endemic insecurity*;

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[8] John Gray in his *False Dawn. The Delusions of Global Capitalism* argues that not only individuals but also nation-states must now act "in *a world in which all options are uncertain*. … National governments find themselves in environments *not merely of risks but of radical uncertainty*. In economic theory, risk means a situation in which the costs of various actions can be known with reasonable probability, while uncertainty is a situation in which such probabilities cannot be known. … Governments are in a situation in which even the span of options that is available to them is uncertain. This continuing radical uncertainty is the most disabling constraint on the power of sovereign states" (Gray 1998: 75, emphasis mine).

[9] Assar Lindbeck rightly claims in "The End of the Middle Way? The Large Welfare States in Europe. Hazardous Welfare-State Dynamics" that reforming the

and finally there is no way to avoid the emergent *risk society* (whose defining feature is not so much the increased amount of risk but rather the changed nature of uncertainty). All the above processes go hand in hand with, and are direct consequences of, the process of industrial modernization (Esping-Andersen in his report on "Towards a Welfare State for the XXI Century" describes the Gordian Knot we are facing in the following way: "how to sustain Europe's normative commitments to social justice while aspiring to be a truly competitive force in the evolving knowledge economy", Esping-Andersen 2002: 1). The major force at work is globalization. What are the major differences between the first and the second modernity? To quote Beck *in extenso*,

> The former term I use to describe the modernity based on nation-state societies, where social relations, networks and communities are essentially understood in a territorial sense. The collective patterns of life, progress and controllability, full employment and exploitation of nature that were typical of this first modernity have now been undermined by five interlinked processes: globalization, individualization, gender revolution, underemployment and global risks (an ecological crisis or the crash of global financial markets). The real theoretical and political challenge of the second modernity is the fact that society must respond to all these changes simultaneously (Beck 1999a: 1–2).

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welfare state is bound to create serious problems for the population, "as welfare-state entitlements may be regarded as long-term contracts between the government and the citizens. A 60-year-old who is told that the government cannot live up to its earlier promises of sick payments, unemployment benefits, or pensions will find it difficult to relive his life for the purpose of saving and buying annuities for himself! Thus, welfare-state policies not only mitigate market risks, but may also create new types of risks in the form of unpredictable changes in politically determined rules…" (Lindbeck 1995: 13–14). This has been exactly a by-product of the collapse of communist (state bureaucratic collectivist) "welfare" and one of the most significant costs of the transformation processes from socialism to market economies in CEE countries. Some analysts claim that the cost had been well calculated and that there was a sinister cynicism, sometimes found among those influencing social policy reforms in CEEs, described as follows: "the countries of the region cannot afford a comprehensive social protection system, but it is essential to ensure that the 'middle classes' support the development of 'democracy' in the longer term. They must receive adequate social protection so that they do not become disaffected. This probably means that the poor cannot be provided with adequate benefits, because they could not be afforded" (Standing 1996: 251).

What do these five processes have in common? They are all unforeseen consequences of the victory of the first industrial modernization based on the national state (Beck 1999a: 2). Consequently, the picture of the current social reality is very radical indeed and this reality requires a new conceptual framework to be analyzed; in a strong formulation it is the following:

> A new kind of capitalism, a new kind of economy, a new kind of global order, a new kind of society and a new kind of personal life are coming into being, all of which differ from earlier phases of social development. Thus, sociologically and politically, *we need a paradigm-shift, a new frame of reference.* This is not "postmodernity" but a second modernity, and the task that faces us is to reform sociology so that it can provide a new framework of for the reinvention of society and politics (Beck 1999a: 2, emphasis mine).

Nothing in the social sphere remains intact at the turn of the 21st century, the world is radically and substantially different. Nothing will be the same, Beck claims. The "second modernity" is a "magical password" that will "open the door to new conceptual landscapes":

> On all sides, the great volcanic questions continue to bubble beneath the surface. If the full employment society has come to an end, then we must eventually face up to the collapse of pensions due to the imbalance between a shrinking labour force and the ever larger and older numbers of the elderly. At the same time, *the whole conceptual world of national sovereignty is fading away – a world that includes the taming of capitalism in Europe by the postwar welfare state* (Beck 2000b: 17, emphasis mine).

Beck never uses catastrophic overtones with reference to the interrelated processes of globalization which he sees as unintended but irreversible, harsh but inherent in the development of the world of the first modernity which is now breaking apart. As he puts it dramatically, in the transition from the first to the second modernity, we are dealing with a "fundamental transformation, a paradigm shift, a departure into the unknown world of globality, but not with a 'catastrophe' or 'crisis', if the concept of crisis means that we could return to the status quo ante by taking the 'right' (= usual) measures" (Beck 2000a: 123). (It is important to note that Beck is never a pessimistic visionary who presents a gloomy picture of the new, hostile and hard to understand reality. The theoretical underpinning

of his recent books was developed almost two decades ago and presented for the first time in *Risikogesellschaft. Auf dem Weg in eine andere Moderne* in 1986; at that time, in a significant part of his social criticism, the clue to understanding the changing world was provided by the vague concept of "postmodernity", with globalization slowly emerging as the major theoretical concept of the 1990s).

Beck in his attempts to revitalize sociological thinking traditionally embedded in the ideas of the nation-state calls for the *renegotiation* of the basis of the first modernity. In the most general terms, his fundamental questions are the following:

> What does tolerance mean? What do supposedly universal human rights involve in a context of cultural difference? Who will uphold human rights in a world that has left behind the national state? How can social safeguards that have been overwhelmingly guaranteed by the national state be redrawn and preserved amid increasing world poverty and a decline in paid employment? If national states crumble, will new wars of religion ensue, perhaps intensified by ecological disasters? Or are we heading towards a world without violence, finally at peace after the triumph of the world market? Are we perhaps even on the threshold of a second Enlightenment? (Beck 2000a: 15).

Globalization in Beck's account calls into question a basic premise of the first modernity according to which the "contours of society largely coincide with those of the national state". It is not only new connections and interconnections which come into being: "much more far-reaching is the breakdown of the basic assumptions whereby societies and states have been conceived, organized, and experienced as *territorial units separated from one another*" (Beck 2000a: 21). What is the common denominator for the various dimensions of globalization and what does the changing sense of borders mean for social players today:

> One constant feature is the overturning of the central premise of the first modernity: namely, the idea that *we live and act in the self-enclosed spaces of national states and their respective national societies*. Globalization means that borders become markedly less relevant to everyday behaviour in the various dimensions of economics, information, ecology, technology, cross-cultural conflict and civil society (Beck 2000a: 20).

Beck's concept of "reflexive modernization" developed for the first time in his *Risikogesellschaft* book of 1986, puts an emphasis on the self-transformation and opening-up of the first, national modernity. What these largely unintended and unforeseen processes signal is a change to the whole of society, a change affecting the "foundations of whole modern societies" (Beck 2000b: 19). Consequently,

> The term "reflexive modernization", then, refers to the transition away from a first modernity locked within the national state, and towards a second, open, risk-filled modernity characterized by general insecurity. This transition takes place, as it were, within a continuity of "capitalist modernization", which is now in the process of removing the fetters of the national and the welfare state (Beck 2000b: 19).

"Reflexive modernization" means the possibility of a creative (self-)destruction for an entire epoch: for the epoch of the industrial society. "The 'subject' of this creative destruction is not the revolution, not the crisis, but the victory of Western modernization" (Beck 1994: 2; see also Giddens' magisterial *Consequences of Modernity*, 1990). It is a radicalization of modernity which breaks up the premises and contours of industrial society and opens paths to "another modernity" (Beck 1994: 3). Modernization annihilates the contours of the industrial society and gives birth to a new historical being (Beck 2002: 17). The end of the cold war brought about the political renaissance of Europe but it has not contributed to the revival of Europe's ideas, leading rather to "a general paralysis" (Beck 1999a: 24). In answer to the general agreement of pessimism and optimism that there is only one shape to modernity, that of industrial society (consumer society accompanied by democracy), the theory of reflexive modernization answers: "many modernities are possible" (Beck 1994: 24). Let us pass on to the fundamental premises of the first and the second modernity in Beck's formulation.

There are seven premises of the first modernity which took its shape in postwar Europe:

1. Each country's organization of its own "national" economy;
2. widespread exclusion of women from the labour market;
3. the withholding of certain basic rights from women and children;
4. the existence of intact small families as the basis for the reproduction of labour-power as a chiefly male commodity;

5. relatively closed proletarian and bourgeois lifeworlds as the social or "status" precondition of class formation;
6. a hierarchy of experts and laymen based upon professionally generated and supervised monopolies of knowledge; and
7. geographically fixed production, cooperation and company activity – as the supposedly "natural" arena in which the contradictions of labour and capital both appear and become susceptible to organization and pacification (Beck 2000b: 20).

These are basic premises also in the sense that they are seen as institutionally and individually self-evident – "as a kind of second nature" (Beck 2000b: 20). In the second modernity, the process of modernization is reflexive which means that it has to face unintended and unwanted consequences of its own success. The social conditions which framed the first modernity are breaking apart in the course of modernization. Here are Beck's examples of how he sees the second modernity:

1. The corporatist internal structure of classes, and therefore of class society as a whole, tends to fade as social inequalities increase.
2. Openly debated ecological crises make the public more alive to the cultural perception and evaluation of "nature".
3. Sexual and inter-generational relations between men and women, adults and children are stripped of their basic pseudo-natural premise, so that a gradual revolution affects the whole world of the small family, with its conceptions of the division of labour, love, and home life.
4. The society of formal work and full employment, as well as the welfare-state nexus associated with it, enter into crisis as production and cooperation lose their clearly defined local ties.
5. The imaginative world of a private sphere, in the sense of "normal biographies" exclusively geared to market opportunities, becomes political again.
6. The experience of global risks to civilization calls into question the traditional rule by experts in economics, politics and science. Basic democratic movements, with their claims to technocratic citizenship, are thus released into the public debate of experts and counter-experts (Beck 2000b: 21).

These changes make us increasingly use such concepts as "ambivalence", "unclarity", "contradictoriness" or "disorientation" for the description of the social. The institutional answers provided for

the problems faced by society in the first modernity are no longer convincing: "for contemporary societies are going through a fundamental transformation which radically challenges the understanding of modernity rooted in the European Enlightenment. The field of reference is now made up of many different options, and new, unexpected forms of the social and the political are emerging within this field" (Beck 2000b: 22).

This is exactly the situation of higher education in the global age which I have been analyzing: new points of reference for analysis, new actors on the stage, new forces at work nationally, regionally (Europe for us here) and globally, and finally new options on how to proceed in these critical times. It would be interesting to see how the above synthetic description of the first and the second modernity refers to our educational concerns here. Beck claims that "in the model of the first modernity, everything is constantly changing – but not the basic categories and concepts of social change itself. In the second modernity, however, these categories and concepts are openly challenged – above all, the conviction that there is ultimately a rational solution to every problem that modernization itself produces. This challenge takes place both at the level of *institutions* and at the level of *discourse*" (Beck 2000b: 24, emphasis mine). In the area of higher education policy, the challenges ahead are indeed both at the level of institutions and at the level of discourse; the changing realities in the of functioning of (mostly state-funded) higher education institutions are increasingly analyzed in shifting discourses, and increasingly in global discourses alien to the traditional Humboldtian set of ideas still used 20–30 years ago[10].

In the paradigm of the first modernity, globalization is interpreted through the lenses of the "territorial" state, politics, society and culture; in the paradigm of the second modernity, though, globalization changes the relationship between and beyond the

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[10] Suffice it to compare the discourse used in *Magna Charta Universitatum* signed in Bologna in 1988 and in the Bologna Declaration, signed ten years later (as put in a wider context in Chapter 6). For an excellent commentary, see Brzeziński 1997.

nation-states as well as the inner "quality" of the social itself. The very principle of territoriality becomes questionable in an age of globality. From this perspective, the core of globalization is the "deterritorialization of the social". Consequently, in the second modernity

> [A] question mark is placed over the inner consistency of a social construction made up of anthropological constants and functional imperatives of the first modernity. A territorially fixed image of the social, which for two centuries has captivated and inspired the political, cultural and scientific imagination, is in the course of breaking up. Corresponding to global capitalism is a process of cultural and political globalization which transcends territoriality, as the ordering principle of society (Beck 2000b: 26–27).

The meaning of this deterritorialization (or despatialization) of the social and the political, Beck argues, can be best illustrated by the example of the future of work. Our work society is becoming a risk society, and accompanying concepts in the academic and public debates are e.g. "post-industrialism", "post-Fordism", "post-Taylorism" or "neo-Fordism". In the second modernity, the risk regime prevails in every field: "economy, society, polity. Here the appropriate distinction is therefore not between an industrial and post-industrial or Fordist and post-Fordist economy, but between the *securities, certainties and clearly defined boundaries* of the first modernity, and the *insecurities, uncertainties and loss of boundaries* in the second modernity" (Beck 2000b: 70). The possible consequence of the free-market utopia is what he calls in *The Brave New World of Work* the "Brazilianization of the West" (Beck 2000b) or the "Brazilianization of Europe" in *What Is Globalization*? (Beck 2000a: 161). The general description of similarities highlights the diversity and insecurity in people's work and life.[11] Beck draws parallels between the changing European work environment and the current realities in Brazil where

[11] "Insecurity" becomes one of the defining features of both living and working in a post-welfare environment; as Geoffrey Garrett claims, "perhaps the most important effect of globalization is the increase of social dislocations of economic insecurity, as distribution of incomes and jobs across firms and industries becomes increasingly unstable. The result is that *increasing numbers of people have to spend ever more time and money trying to make their future more secure*" (quoted in Iversen 2001, emphasis mine).

> Those who depend upon a wage or salary in full-time work represent only a minority of the economically active population; the majority earn their living in more precarious conditions. People are travelling vendors, small retailers or craftworkers, offer all kinds of personal service, or shuttle back and forth between different fields of activity, forms of employment and training (Beck 2000b: 1–2).

What Beck calls "nomadic 'multi-activity'" is a rapidly spreading variant in late work-societies where attractive and well-paid full-time employment is on its way out (Beck 2000b: 2).[12] Consequently, insecurity prevails in almost all positions within society in the West today. What may emerge is what Will Hutton called "the 30/30/40 society" in his "High-Risk Strategy" paper where he describes the emergence of a new stratification of British society, "there is a bottom 30 percent of unemployed and economically inactive who are marginalized; another 30 percent who, while in work, are in forms of employment that are structurally insecure; and there are only 40 percent who can count themselves as holding tenured jobs which allow them to regard their income prospects with certainty" (Hutton

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[12] Similar conclusions, although not so dramatic, can be drawn about the present and future of the work environment in the academic profession. As Philip G. Altbach observes in his introduction to the study of the academic profession in developing and middle-income countries, *The Decline of the Guru*, "The central realities of higher education in the 21st century – massification, accountability, privatization, and marketization – shape universities everywhere, and those who work at them, to differing degrees. Massification has led, among other things, to an expanded academic profession and an academic community that is increasingly unrecognizable. Accountability has limited the traditional autonomy of the profession, more tightly regulating academic work and eroding one of the major attractions of the academic profession. Privatization has, in some contexts, placed pressure on academics to generate income for themselves and for the university through consulting and other nonteachng activities. Marketization has forced academics to be more cognizant of student curricular interests and opportunities for entrepreneurial activities. The sad fact in the era of mass higher education is that *the conditions of academic work have deteriorated everywhere*" (Altbach 2002b: 3, emphasis mine). I would be very willing to link quite closely at least three of the processes Altbach enumerates with, among other things, the advent of globalization: namely accountability, privatization, and marketization. These effects of globalization on higher education would be indirect rather than direct, through the effects on the state and governance in general.

2000: 337). Global capitalism in Beck's description is doing away with work and unemployment is no longer a *marginal* fate: it affects everyone as well as our very "democratic way of life" (Beck 2000a: 58).[13] Consequently, Beck's question is how democracy will be possible when the full-employment society is over, or is there a chance for political freedom and democracy *without* material security: in short, "how democracy will be possible without the securities of the work society" (Beck 2000a: 63). The rhetoric of "independent entrepreneurial individualism" cannot conceal the fact that

> The bases of the much-praised welfare state and a lively everyday democracy, together with the whole self-image of a worker-citizen society, based on "institutionalized class compromise", are falling apart (Beck 2000b: 4).

An exclusively profit-driven capitalism that excludes from consideration employees rights, the welfare state and democracy, is a capitalism that undermines its own legitimacy, Beck argues: "the neoliberal utopia is a kind of democratic illiteracy. For the market is not its own justification; it is an economic form viable only in interplay with material security, social rights and democracy, and hence with the democratic state. To gamble everything on the free market is to destroy, along with democracy, that whole economic mode" (Beck 2000b: 4).

Beck proposes a workable antithesis to the work society of the past: a society of *active citizens* – which is "no longer fixed within the container of the national state" and whose activities are organized both locally and across frontiers – can develop answers to the new challenges of individualization, globalization, falling employment and ecological crisis (Beck 2000b: 5). The antithesis to the work society is going to be a multi-active society; the self-active, self-aware, political civil society.

Beck draws a careful distinction between globalization, globalism and globality. Globalization denotes a process through which

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[13] Esping-Andersen summarizes the difference: "The standard production worker and the low-skilled could by and large count on a decently paid and secured job in the welfare capitalist era. This is unlikely to be the case in the twenty-first century" (Esping-Andersen et al. 2002: 3).

sovereign nation-states are undermined by transnational players (Beck 2000a: 11), globalism is the view that the world market "eliminates or supplants political action" i.e. the ideology of neoliberalism. Globalism is a monocausal and economistic mindset which "reduc[es] the multidimensionality of globalization to a single, economic dimension" (Beck 2000a: 9). Globalism is a "thought virus" whose main article of faith is that "everyone and everything – politics, science, culture – should be subordinated to the primacy of the economic" (Beck 2000a: 122). Finally, globality means that

> From now on nothing which happens on our planet is only a limited local event; all inventions, victories and catastrophes affect the whole world, and we must reorient and reorganize our lives and actions, our organizations and institutions, along a "local-global" axis. Globality, understood in this way, denotes the new situation of the second modernity (Beck 2000a: 11–12).

It is this new globality that cannot be reversed; it is "an unavoidable condition of human intercourse at the close of the twentieth century" (Beck 2000a: 15).

What is especially interesting for our discussions here is Beck's strongly formulated thesis about the *broken historical bond* today between capitalism, the welfare state, and democracy (that parallels the end of John Gerard Ruggie's postwar "embedded liberalism compromise").[14] As Beck formulates the point, if global capitalism dissolves the core values of the work society, a historical link between capitalism, the welfare state and democracy will break apart. As he argues, democracy in Europe and North America came into the world as *labor democracy*: it rested upon paid employment. Employment breathed life into political rights and freedoms:

> paid labour has always underpinned not only private but also political existence. What is at issue today, then, is not "only" the millions of unemployed, nor only the future of the welfare state, the struggle against poverty, or the possibility of greater social justice. *Everything we have is at*

[14] To recall briefly Ruggie's idea: "the extraordinary success of postwar international economic liberalization hinged on a compact between state and society to mediate its deleterious domestic effects" (Ruggie 1997: 1), which is what he earlier called the "embedded liberalism compromises" in 1982 (see Ruggie 1982).

> *stake. Political freedom and democracy in Europe are at stake* (Beck 2000a: 62, emphasis mine).

The association of capitalism with basic political, social and economic rights, in Beck's view, is not "'some favour' to be dispensed with when money gets tight". Rather, such a socially-buffered capitalism was an answer to the experiences of fascism and the challenges of communism, as Karl Polanyi argued for the first time in *The Great Transformation*. Therefore, without material security there is no political freedom and no democracy (Beck 2000a: 62–63).[15]

Though in Ancient Greece and Rome, freedom was (among other things) freedom from work, in modern times the citizen was conceived as *a working citizen* (true, apart from the fact, crucial for our considerations in Chapter 3, that he was also a citizen of the nation-state). The idea of democracy came into the world as a "work-democracy"; consequently, the issue now is not only chronic unemployment, nor the fate of the welfare state, but also "the future of political freedom and democracy in Europe" (Beck 2000b: 13).

Beck acknowledges the significance of the collapse of communism in Eastern Europe in 1989 (the *annus mirabilis*, as another leading German sociologist Wolf Lepenies once described it, see Kwiek 2004a and 2003h). This historical phenomenon as seen by those political scientists and sociologists who are dealing with the advent of globalization and the collapse of the welfare state requires separate attention; suffice it to say here, though, that Beck (like e.g. Zygmunt Bauman or Ramesh Mishra) draws a significant connection between 1989, capitalism, democracy and the welfare state. After 1989, Beck argues, basic aspects of the capitalist mode that were covered up in postwar Western welfare capitalism have emerged in a "sharper form" (Beck 2000a: 96). He claims that

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[15] As Anthony McGrew formulated the point: "For if state sovereignty is no longer conceived as indivisible but shared with international agencies; if states no longer have control over their national territories; and if territorial and political boundaries are increasingly permeable, *the core principles of democratic liberty* – that is self-governance, the demos, consent, representation, and popular sovereignty – *are made distinctly problematic*" (McGrew 1997: 12, emphasis mine).

> [I]t is already clear that the West was not left unaffected by the collapse of the East. … The West is confronted by questions that challenge the fundamental premises of its own social and political system. The key question we are now confronting is whether the historical symbiosis between capitalism and democracy that characterized the West can be generalized on a global scale without exhausting its physical, cultural and social foundations. … And should we not, after the end of the cold war and the rediscovery of the bitter realities of "conventional" warfare, come to the conclusion that we have to rethink, indeed reinvent, our institutional civilization, now that the old system of industrialized society is breaking down in the course of its own success? Are not new social contracts to be born? (Beck 1994: 1).

Certainly, most our social institutions are being currently reinvented, beginning with the institution of the state (from "managerial" to "minimalist" to "effective") but the idea of new social contracts is still open. Somehow the plane of thinking about social contracts became altered – from national, confined to single nation-states, to regional if not global (and the EU is a good example here). Consequently, the social sciences may need to substantially revise their fundamental premises and reorient their thinking; sociology, for instance, has traditionally – in today's, retrospective view – been merely a sociology of the first modernity focused mostly, if not exclusively, on the nation-state. As Beck comments, "beyond all their differences, such theorists as Emile Durkheim, Max Weber and even Karl Marx shared a territorial definition of modern society, and thus a model of society centred on the national state, which has today been shaken by globality and globalization" (Beck 2000a: 24).

Beck's political economy of insecurity or his "political economy of world risk society" is outlined in five points. First, the new power game is acted out between "territorially fixed" political players and "non-territorially fixed" economic players (i.e. between governments, parliaments, trade unions – and capital, finance markets and commerce). Second, the room for maneuver of individual states is limited to the dilemma of either paying with higher unemployment for decreasing poverty rates (as in most European countries) or accepting more poverty in exchange for less unemployment (as in the United States). Three, the work society is coming to an end. Consequently, there are no more "jobs for life" and rising

unemployment is due to the success of technologically advanced capitalism. Four, we are currently experiencing what he terms a "domino effect":

> those factors which in good times used to complement and reinforce one another – full employment, guaranteed pensions, high tax revenue, leeway in public policy – are now facing knock-on dangers. Paid employment is becoming precarious; the foundations of the social-welfare state are collapsing; normal life-stories are breaking up into fragments; old age poverty is programmed in advance; and the growing demands on welfare protection cannot be met from the empty coffers of local authorities.

And finally, five, "labor market flexibility" has become a political mantra. What is especially important for us here is the more general conclusion that "flexibility also means a redistribution of risks *away from the state and the economy towards the individual*". What is evident is one future trend: "endemic insecurity" for a majority of people (Beck 2000b: 2–3, emphasis mine).[16]

Beck argues that the social consequences of globalization touch on the very *substance of freedom and democracy*. Between political freedom and the new political economy of risk and uncertainty there is "a basic contradiction" (Beck 1999a: 12). Globalization will make possible things which remained hidden during the stage of the welfare-democratic "taming" of capitalism.[17] Global corporations are playing

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[16] Harvard-based economist, János Kornai, summarizes the attitude of the public in Hungary towards welfare: "Members of post-socialist society have not yet digested the idea that they bear the main responsibility for their lives. After all, it was drummed into them for decades that the state would look after them when they fell sick, became disabled or grew old. They have not yet accepted that they, primarily, are the ones who have to prepare for these eventualities" (Kornai 1997: 339). He clearly represents an American perspective; generally speaking, I would not expect major differences between Continental European countries (like e.g. France) and Hungary, from where research results were taken. I would go even further and claim that today, after a few years, an awareness of being responsibility for one's welfare is even higher in Central Europe, on average, than in traditional European welfare state regimes.

[17] At the same time, in post-1989 Central and Eastern Europe, for the first time in history, social policy has been shaped and influenced by international financial agencies and global organizations (see Standing 1996). As one of few Western analysts dealing with welfare issues in the region, Bob Deacon describes the early years of

a key role "in shaping not only the economy but society as a whole" (Beck 2000a: 2). Transnational corporations have launched an attack upon the *material* lifelines of modern national societies (Beck 2000a: 3). Transnational corporations are bidding farewell to the nation-state and refusing further loyalty to it:

> This, however, lowers the degree of *internal* social integration, all the more so as its basis was purely economic. It is precisely the well-endowed welfare states which are facing the worst predicament. They have to provide statutory benefits for an ever higher number of registered unemployed … and at the same time they lose control over taxes because the TNCs deal themselves a quite unparallel hand in the poker game over their local ties and obligations. … The downward pressure on the welfare state, then, results not only from a combination of dwindling resources and rocketing expenditure, but also from the fact that it lacks the means to satisfy demands upon it at a time when the gulf between rich and poor is growing ever wider. *As the national framework loses its binding force, the winners and the losers of globalization cease to sit at the same table.* The new rich no longer "need" the new poor (Beck 2000a: 7, emphasis mine).

While transnational corporations are growing in number and diversity, what is decisive about them is that, in the course of globalization, they are able to play off nation-states against one another. Beck argues that looked at from outside, everything has remained as it was: companies produce, hire and fire, pay taxes. The crucial point, however, is that they "*no longer do this under rules of the*

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transition as follows, "into the vacuum of national policy making in the wake of the 1989 events stepped the international organizations. … Whether Eastern Europe was to become a women friendly, redistributive, socially just and well regulated kind of capitalism like Sweden; a cut-throat, devil-take-the-hindmost kind of unsafe casino capitalism like the USA, or worse Brazil; or perhaps a socially managed if unequal kind of capitalism like France and Germany, was to be, at least in part, in the hands of the army of human resources specialists from international organizations about to descend on the region" (Deacon et al. 1997: 92–93; see also Brusis 2003). From one perspective, though, the choices in welfare policies available in most transition countries were very limited indeed, no matter who was playing a major advisory role. Today, after a decade and a half, the welfare policy choices epitomized by Deacon as Sweden, Germany or France seem increasingly unattainable. I am again very much inclined to accept Zsuzsa Ferge's interpretations which emphasize the increasing neoliberal dimension (Ferge 2001a, 2001b).

game defined by national states, but continue to play the old game while nullifying and redefining those rules. It thus only *appears* to be a question of the old game of labour and capital, state and unions. For while one player continues to play the game within the framework of the national state, the other is already playing within the framework of world society" (Beck 2000a: 64–65, emphasis mine). The social consequences are stark. What has been re-emerging and growing sharper is the "conflictual logic of the capitalist zero-sum game", while "the state has been losing its customary means to pacify and conciliate by increasing the size of the economic cake available for distribution" (Beck 2000a: 7).

What is especially interesting regarding my educational concerns is one particular form of the responses to globalization available today: the reorientation of educational policy (education played an important role in Beck's *Risk Society*). One of the main political responses to globalization is "to build and develop the education and knowledge society; to make training longer rather than shorter; to loosen or do away with its link to a particular job or occupation, gearing it instead to key qualifications that can be widely used in practice" (Beck 2000a: 137–138). What counts is social competence, the ability to work in a team, conflict resolution and the understanding of other cultures (Beck 2000a: 138).[18] There is an interesting paradox here: Beck, confirming the unavoidable collapse of the welfare state as we know it today under the pressures of globalization, does not seem to recognize the link between state-funded higher education and the welfare state. Consequently, the above postulate may work in the most general terms – but it needs to be reformulated when translated into practice in detail. It is interesting to bear in mind the connections between the European notion of the welfare state, the public sector, and European publicly-funded educational institutions.

[18] And the risks and uncertainties of the second modernity are substantial. According to a vivid description of British society provided by Will Hutton: "the British are increasingly at risk. The chances of their jobs disappearing, of their incomes falling, of their homes being repossessed or being impossible to sell, of their families breaking up, of their networks of friendships disintegrating, have not been higher since the war" (Hutton 2000: 337).

5.3. Globalization – the Human Consequences (Zygmunt Bauman)

Finally, let us pass on to the last of the three leading European thinkers being discussed briefly in this chapter in connection with the future of the welfare state, and, consequently, the impact of globalization on higher education – Zygmunt Bauman. Bauman's discussion of the "human consequences" of globalization, in the context of what interests us here, draws our attention to the new polarization of the world population into the globalized rich and the localized poor. Mobility becomes one of the key dimensions of human life. As Bauman argues, "all of us … are on the move. … 'globals' set the tone and compose the rules of the life-game. Being local in a globalized world is a sign of social deprivation and degradation" (Bauman 1998: 2). The globalizing and localizing tendencies exist alongside each other – what appears as globalization for some means localization for others. It is mobility, the freedom to move, that becomes the main stratifying factor of our times. Consequently, there are winning globals and losing locals, "increasingly global and extraterritorial elites" and the "ever more 'localized' rest" (Bauman 1998: 3). This new investment mobility means a radical disconnection between *economic interests* and *social obligations*: it means, Bauman claims, "freedom from the duty to contribute to daily life and the perpetuation of the community" (Bauman 1998: 9).

Bauman emphasizes the consequences of this processes of despatialization and deterritorialization of the economy when he calls the last quarter of the twentieth century the period of "the Great War of Independence from Space". The human consequences of the despatialization of the economic arena are far-reaching; as he describes the asymmetrical relation between the global and the local,

> the employers, the suppliers and the spokesmen of the community have no say in the decisions that the 'people who invest' may take. … It is up to them therefore to move the company wherever they spy out or anticipate a chance of higher dividends, leaving to others – locally bound as they are – the task of wound-licking, damage-repair and waste-disposal. *The company is free to move; but the consequences of the move are bound to stay* (Bauman 1998: 8–9, emphasis mine).

That is the major difference from the classic period of welfare capitalism: as Bob Deacon in *Global Social Policy* argued, during the times of classic Keynesianism when competition between firms was largely within national boundaries, the same rules could apply to the social costs; however: "once global movements of capital took place and once governments consequently lost control of investment policies through Keynesian economic management, capital could in principle *go 'regime shopping' and engage in 'social dumping'*" (Deacon et al. 1997: 11). Running away from the locality is tantamount to running away from the (social) consequences. The decision-making centers are free from territorial constraints, while the immediate "human consequences" are locally-tied. The features of power-holders are "bodilessness" and "non-terrestriality" (Bauman 1998: 19).

Globalization for Bauman refers primarily to the new global *effects* rather than to global *initiatives* and *undertakings*. "'Globalization' is not about what we all … wish or hope *to do*. It is about *what is happening to us all*" (Bauman 1998: 60). Not surprisingly, "the deepest meaning conveyed by the idea of globalization is that of the *indeterminate, unruly and self-propelled character of world affairs*; the absence of a centre, of a controlling desk, of a board of directors, of a managerial office" (Bauman 1998: 59, emphasis mine). For Bauman, globalization (seen as deterritorialization) and territorialization (viewed as localization) are mutually complementary processes, two sides of the same process of the new world-wide redistribution of sovereignty, power and the freedom to act, triggered (though not determined) by the new technologies (Bauman 1998: 69ff). What we are witnessing today is the process of a world-wide "restratification" on a world-wide scale, the emergence of a new socio-cultural hierarchy.[19] According to what Bauman calls the "folkloristic beliefs" shared by this new generation of the "enlightened classes",

[19] As he claims, "the quasi-sovereignties, territorial divisions and segregations of identities which the globalization of markets and information promotes and renders 'a must', do not reflect diversity of equal partners. *What is a free choice for some descends as cruel fate upon others*. And since those 'others' tend to grow unstoppably in numbers and sink ever deeper into despair born of a prospectless existence, one will be well advised to speak of '*glocalization*' … and to define it mostly as the process of the

> [F]reedom (of trade and capital mobility, first and foremost) is the hothouse in which wealth would grow faster than ever before; and once the wealth is multiplied, there will be more of it for everybody. The poor of the world – whether old or new, hereditary or computer-made – would hardly recognize their plight in this folkloristic fiction. … New fortunes are born, sprout and flourish in the virtual reality, tightly isolated from the old-fashioned rough-and-ready realities of the poor. The creation of wealth is on the way to finally emancipating itself from its perennial – constraining and vexing – connections with making things, processing materials, creating jobs and managing people. The old rich needed the poor to make and keep them rich. That dependency at all times mitigated the conflict of interests and prompted some effort, however tenuous, to care. The new rich do not need the poor any more (Bauman 1998: 72).

Consequently, Bauman presents a vision of a radically polarized world: the world of the "globally mobile" and the world of the "locally tied". The former are constantly on the move, the world for them is despatialized; the latter are barred from moving and thus bear passively "whatever change may be visited on the locality they are tied to". Residents of the first world live in time; space does not matter to them any more. Residents of the second world live in space. In the consumer society, or in the society of "tourists", they are useless, and consequently – unwanted. Globalization and localization are the two sides of the same coin; they make some winners, and some losers. The difference is not exactly between the "knowledge rich" and the "knowledge poor"; it is much more between those whose skills are highly valued in world markets and those whose skills are not. As Robert B. Reich insists in *The Work of Nations*, the standard of living of citizens of a given country depends on the "worldwide demand for their skills and insights" (Reich 1992: 77). Reich is talking about Americans in the passage quoted below, but the remark should hold for citizens of any country:

> So when we speak of the "competitiveness" of Americans, in general, we are talking only about how much the world is prepared to spend, on average, for

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concentration of capital, finance and all other resources of choice and effective action, but also – perhaps above all – of *the concentration of freedom* to move and to act" (Bauman 1998: 70, first emphasis mine).

> services performed by Americans. Some Americans may command much higher rewards, others, far lower. No longer are Americans rising or falling together, as if in one large national boat. We are, increasingly, in different, smaller boats (Reich 1992: 173).

Who are the winners? They are the "symbolic analysts" who "solve, identify, and broker problems by manipulating symbols" (Reich 1992: 178).[20] For everybody, though "'globalization' is the intractable fate of the world, an irreversible process; it is also a process which affects us all in the same measure and in the same way. We are all being 'globalized' – and being 'globalized' means much the same to all who 'globalized' us" (Bauman 1998: 1).

For Bauman, as for many other social thinkers, the collapse of communism in 1989 is of crucial importance for the further development of global capitalism. It marks the beginning of "living without an alternative" (Bauman 1992: 175). Right after 1989, Bauman voiced his concerns, far away from the Francis Fukuyama "end-of-history" rhetoric:

> Communism has died. Some say, of senility. Some say, of shameful afflictions. All agree it will stay dead for a long, long time. … The theme of the celebration is well known: "our form of life" has once and for all proved both its viability and its superiority over any other real or imaginable form, our mixture of individual freedom and consumer market has emerged as the necessary and sufficient, truly universal principle of social organization, there will be no more traumatic turns of history, indeed no history to speak

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[20] Reich's "symbolic analysts" would be e.g.: research scientists, design engineers, software engineers, public relations executives, investment bankers, lawyers, real estate developers, and creative accountants. Also included in symbolic-analytic services would be much of the work done by management consultants, financial consultants, tax consultants, architectural consultants, management information specialists, organization development specialists, strategic planners, corporate headhunters, and system analysts. Also: advertising executives and marketing strategists, art directors, architects, cinematographers, film editors, production designers, publishers, writers and editors, journalists, musicians, television and film producers "and even university professors" (Reich 1992: 177–178). The crucial point is, though, they no longer depend on the economic performance of other Americans (or any other nationals, for that matter) and have been "seceding from the rest of the nation" (Reich 1992: 253).

> of. For "our way of life" the world has become a safe place. The century remarkable for fighting its choices on the battlefield is over, ten years before the appointed time. From now on, there will be just more of the good things that are. In the din of celebration, the few voices of doubt are barely audible. Some doubts do not dare to be voiced. Some inarticulate worries have not even congealed into doubts fit to be put into words. One can only guess what they are (Bauman 1992: 175).

A new aspect of the situation in which the Western form of life found itself after the collapse of its communist alternative is the "unprecedented freedom" it will from now on enjoy in defining its own identity. We do not really know, Bauman warns, what effects such freedom may bring; we cannot learn it from history. Capitalism had its alternative from almost the very beginning when this role was played by socialist movements.[21] What is of special interest for our considerations here, is the link between the internal changes of capitalism and the existence of its alternative. As Bauman argued,

> Vivid displays of a social organization that focused on the ends which capitalist modernity neglected made it necessary to broaden the systemic agenda, and enforced corrections which prevented the accumulation of potentially lethal dysfunctions. (The welfare state was the most conspicuous, but by no means the only example). This relative luxury of autonomous, self-constituted critique is now gone (Bauman 1992: 183–84).

The alternative has now been gone for a decade and a half; apart from the internal factors resulting from social and economic transformations occurring within Western European democracies (slower economic growth, high governmental policy commitments made in the past decades, population aging and changing demographics, evolving household and family structures – see Pierson 2001), "living without an alternative" has had a tremendous impact on our thinking about the welfare state. Not only in the countries of Central and Eastern Europe, breaking away from

[21] As Bauman argued almost immediately following the collapse of communism in Central and Eastern Europe: "Alternatives appeared as real contenders and resourceful enemies; as threats to be reckoned with, adapted to and actively staved off. Alternatives were sources of at least temporary dynamism even if the capacity for change proved in the end limited to prevent ultimate defeat" (Bauman 1992: 183).

patronage and the modernity-inspired, over-ambitious and over-protective model of the state, but in Western countries as well. Before the collapse of the Communist block in Europe,

> Everything in the world had a meaning, and that meaning emanated from a split, yet single centre – from the two enormous power blocks locked up, riveted and glued to each other in an all-out combat. With the Great Schism out of the way, the world does not look a totality anymore; it looks rather like a field of scattered and disparate forces… To put it in a nutshell: *no one seems now to be in control.* Worse still – it is not clear what 'being in control' could, under the circumstances, be like (Bauman 1998: 58).

Bauman in *Globalization* seems to associate the idea of the mature welfare state with that of the communist-style patronage state. Communism did not keep a balance between freedom and security, the system being dismantled after 1989 was "the state-administered patronage: that coercively imposed a trade-off between freedom and security".[22] He captures the point which is crucial to understanding the apparently strange election results in recent years in numerous countries of Central and Eastern Europe – the widespread "nostalgia" for the ancient regime. To put it in a brutal way, it is still difficult for the wider electorate to try to balance the philosophical achievement of regaining individual responsibility for one's life (and the political achievement of freedom) with the social loss of collective security, the

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[22] That is the way Bauman describes the interplay between the lack of welfare provision, freedom and the attitude towards communism in postwar Poland: "And the same thinking was behind the communist experiment, and that's why many people were so seduced, actually. A great part of the Polish intelligentsia was attracted to it as Poland was in a different state than England, anyway. In 1939, when the independent existence of Poland ended, there were eight million unemployed in the country. Around one-third of the population was without work. Poverty was unimaginable by British standards: there was no provision for the unemployed, and people would just sit on the street idly, without hope, without having any energy to do something, look for anything. So, to speak about freedom as the one thing that was missing there would immediately have aroused an ironical smile. … What most people were worrying about was the daily bread, and the security of work, the certainty that their children would get jobs – these sort of things. … Freedom was not exactly at the top of the agenda; what was on top of the agenda was providing people with these conditions of life" (Bauman 1992: 220).

existence of a safety net (in another pair of oppositions between the patronage/welfare state and emergent forms of state, the difference is between the "commonality of fate" and the "diversity of fate", Bauman 1993: 243). As Bauman argued, "to the strong, bold and determined, the patronage state feels like a most sinister rendition of the Weberian 'iron cage'; yet to many weak, shy and lacking in will it may also feel like a shelter. While the end of the oppressive supervision by the agencies of the state and the opening up of space for individual initiative is a change likely to be warmly greeted by all, the removal of the safety net and the burdening of the individual with responsibility previously claimed by the state may well arouse mixed feelings" (Bauman 1992: 163).

In an interview with Richard Kilminster and Ian Varcoe, appended to *Intimations of Postmodernity*, Bauman presents his vision of the ideas behind the welfare state, associating it closely with the ambitions of the modern state, and more generally, of modernity. He claims that

> The idea of welfare state provision really was to engage the state in order to create for ordinary people, who did not have freedom, the conditions for it. It was very much like Aneurin Bevan's view of the National Health service, that it was a "one off" expenditure. You introduce it, then everybody would become healthy; and then there would be no expenditure on national health any more – at least, it would be going down and down, year by year. That was the idea. And it was the same with the welfare state. The welfare state was thought of as an enabling institution, as a temporary measure to provide a sort of safety cushion for people, so that they know they can dare, they can take risks, they can exert themselves, because there is always this safety provision if they fail (Bauman 1992: 219–20, cited in Mann 2000).

In a similar vein, in a postscript to the Polish translation of *Freedom* (1988), Bauman associates the emergence of the welfare state with common social responsibility for those who are not able to cope by themselves. The welfare state was supposed to take care of those who were temporarily unable to lead individual lives so that they could return to "normal" lives. But today, it seems, for some people unemployment benefits are no longer a way to get rid of temporary existential problems but a "receipt for life". Bauman goes on to argue

that, "not surprisingly, in all affluent societies, slowly but more and more explicitly, ambitious intentions that powered the undertakings of the welfare state, are being gotten rid of". Bauman understands, although he seems unable to share, the ideal of the end of collective solidarity.

Zygmunt Bauman, like Ulrich Beck or Anthony Giddens, with emphases on different aspects of the welfare state however, is not going to defend its traditional Keynesian version. In a world "without an alternative", the welfare state as an institution – in its traditional version – seems increasingly *unviable*, even though the process of the gradual dismantling the welfare state in the West comes as a surprise indeed. Claus Offe suggested over 20 years ago (as one of "contradictions of the welfare state", see Offe 1984) that it is hard to get rid of the welfare state once it has been installed: Bauman comments that after 20 years, the unthinkable has become thinkable; "…and a state which is not a welfare state and a capitalist economy without the safety net of state-administered securities have become a distinct possibility, if not quite yet the reality in the most affluent and 'economically successful' societies" (Bauman quoted in Abrahamson 2000: 174).

Bauman associates very closely the ambitions of the modern state (a product of modernity as vividly described in a number of books during well over a decade now, but especially from *Legislators and Interpreters*, *Modernity and the Holocaust*, and *Modernity and Ambivalence*) with policies implemented as part of the welfare state. The images of the gardener's state, the patronage state, the communist state as realizations of the modern war cry the "Kingdom of Reason – now!" (communism "took the precepts of modernity most seriously and set out to implement them in earnest", Bauman 1992: 179) and his general vision of modernity come very close together. Consequently, Bauman in his *Postmodern Ethics* provides a gloomy account of the dismantling of the welfare state (seen as part and parcel of the philosophical dismantling of modernity as he sees it) in Western countries:

> The dismantling of the Welfare State (once an operative reflection of the principle of universally shared responsibility for individual weal and woe) – a prospect a few years ago deemed unthinkable by the most perceptive of

> minds – is now taking place. … If the installation of the Welfare State was an attempt to mobilize economic interest in the service of moral responsibility – the dismantling of the Welfare State deploys economic interest as a means to liberate political calculation from moral constraints. Moral responsibility is once more something that "needs to be paid for" and hence something one can well be "unable to afford". … The dismantling of the Welfare State is essentially a process of "putting moral responsibility where it belongs" – that is, among the private concerns of individuals. … It is a "your value for my money" situation: citizenship means getting better service for less expenses, the right to pay less into the public kitty and get more from it. Responsibility does not come into it either as a reason or as a purpose. The ideal for the citizen is a satisfied customer. Society is there for individuals to seek and find satisfaction for their individual wants (Bauman 1993: 243–244).

While for a few years in a number of key books Bauman used the word "postmodernity" to describe contemporary society (see especially Bauman 1987, 1992, 1993, 1995), he has recently settled with the concept of *liquid modernity* to describe it. Liquid modernity is much more closely related to the global age: there are no stable institutions, there are no stable conditions because everything is in process. While trust and confidence were constitutive of early modernity, risk and uncertainty are now the hallmarks of liquid modernity (Abrahamson 2004: 171–172). Bauman gives his recent views on poverty and welfare in *Work, Consumerism and the New Poor* (1998) and in *Wasted Lives: Modernity and Its Outcasts* (2004). He is convinced, although unable to approve of this shift, that we have already moved away from the social state and towards an exclusionary state. The welfare state is "out of tune" with the consumer society, which is now. It is through the ideology of consumerism that neoliberalism is threatening the attractiveness of the welfare state. Following Claus Offe, Bauman suggests the introduction of a basic income scheme as the solution to the present social crisis: modest income should be guaranteed to all citizens *as human beings* and this basic entitlement would be dictated by the status and dignity of being human. The state should guarantee its citizens survival with dignity. At the same time, though, Bauman is aware that we are at the crossroads – at the moment of choice with respect to the future of welfare which the world is currently facing;

and the choice is ours. But in a world dominated by the ideology of consumerism, there seems to be no room for a welfare state (at least a welfare state as we know it). His pessimism with respect to the future of the welfare state is further reinforced by the conviction that it is becoming increasingly difficult, perhaps altogether impossible, to "re-forge social issues into effective collective action" (Bauman 1998: 69).

5.4. Conclusions

Habermas, Beck and Bauman, despite coming from different philosophical and sociological traditions, feel compelled to agree on one point about the future of the welfare state in Europe: the transformations we are currently witnessing are *irreversible*, we are passing into a new age with respect to the balance between the economic and the social. With respect to welfare futures, the emergence of Habermas' "postnatnational constellation" carries roughly the same message as the emergence of Beck's "second, postnational modernity" and Bauman's "liquid modernity": the traditional postwar Keynesian welfare state, with its powerful "nation-state" component, is doomed, and for the three thinkers the culprit behind the end of this social project in Europe is globalization, in its theories and its practices. None of them focuses on the internal developments of the European welfare state (like changing demographics, including the aging of Western societies; shifts in familial structures; the burden of past entitlements within the inter-generational contract between the old and the young, the working and the unemployed etc), clearly linking the new geography of social risks and uncertainties with the advent of – mainly economic – globalization. At the same time, they do emphasize the role of changing social attitudes towards social outcasts, the new poor, the excluded (Bauman); or towards high levels of taxation and social democratic redestributive policies (Beck). The emergence of the "individualized society" (Bauman) is accompanied by the overwhelming power of consumer ideologies, still reinforced by the general neoliberal tendency to desocialize the economic and to

recommodify the social. While understandable in a European, including Central European, context, their belief in a future federalist European solution for welfare issues (Beck, Habermas) or for a global scheme of basic income understood as a human right (Bauman) seems – from a global perspective – very hard to realize under global pressures. They have all observed the passage from social solidarity to enhanced individualism, and from the ideals of social cohesion to those of economic competitiveness (even on a regional basis in the enlarged EU) and are not able to accept them on philosophical, social and finally moral grounds (and it is no accident that they have never particularly been "specialists" in their respective areas; especially Habermas who has been the traditional European intellectual, while Bauman dealt with the "question of the intellectual" in the majority of his books from the mid-1980s to the mid-1990s).

To sum up. No matter how we view the origins of current reformulations of the welfare state (more radical in theory than in actual practice in most countries but already perceived in changing national polices, national legislation and the general attitude taken towards the public sector), and no matter whether we link them to the impact of domestic and internal developments or to external and global forces, they cannot be denied. As Giuliano Bonoli et al. phrased it,

> In brief, the consensus of opinion is that globalization has reduced the power of governments. There are no voices that globalization has increased government power. … There is general agreement that the forces of globalization have important implications for the volume, the generosity and the composition of contemporary European welfare state provision (Bonoli et al. 2000: 65).

Using a strong *façon de parler*, the end of the world as we know it – the typical sociological description of a global age – means also the end of the social and economic world as we know it, including (Bob Jessop's) "Keynesian National Welfare State" as we know it. The impact of these transformations on the institution of the university, or on publicly-funded higher education in more general terms, is under discussion here. In broad outline, the current situation may be described as the simultaneous renegotiation of the postwar social contract concerning the welfare state and the renegotiation of a

smaller-scale, by comparison, modern social pact between the university and the nation-state (or between knowledge and power).[23] The renegotiation of the latter is not clear outside of the context of the former, as state-funded higher education formed one of the bedrocks of the European welfare system. We also cannot forget about the context of higher education being a significant part of the public sector, which was discussed in Chapter 3.

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[23] There is an accompanying – crucial, although somehow neglected – internal (academic) dimension to the issue as well. There has been a clear interdependence between decreasing state subsidies for universities, and academics becoming "entrepreneurs" or "academic capitalists", as shown by Sheila Slaughter and Larry L. Leslie regarding Canada, Australia, the USA and the United Kingdom. The uniqueness of the institution of the university seems to be less compelling since the above two processes became more widespread (which started in the 1980s). Certainly, the causal arrow goes from *diminished state funding* to *increased academic entrepreneurialism*, not the other way round. Slaughter and Leslie stress the significance of the participation of academia in the market which "began to undercut the tacit contract between professors and society because the market put as much emphasis on the bottom line as on client welfare. The *raison d'être* for special treatment for universities, the training ground of professionals, as well as for professional privilege, was undermined, increasing the likelihood that universities, in the future, will be treated more like other organizations and professionals more like other workers" (Slaughter and Leslie 1997: 5).

CHAPTER 6

The University and the New European Educational and Research Policies

6.1. Towards a "Europe of Knowledge" – the Revitalization of the Project for European Integration Through Education

The discussion about current and future transformations of the institution of the university – parallel to the current and future transformations of the state – would be incomplete without clear reference to a specific regional variation of the two processes: those taking place in the European Union. Recent years have brought about intensified thinking, writing and discussion regarding the future of public universities in Europe, from a European perspective. Regional processes for the integration of educational and research and development policies add a new dimension to the state/university issue discussed throughout the present book. On top of the discussions about the nation-state and the welfare state, we are confronted with new transnational ideas on how to revitalize the European project through education and how to use European universities for the purpose of creating in Europe a globally competitive knowledge economy ("The Europe of Knowledge"). These ideas as presented at European foras are certainly radical when compared with traditional modern models of the university. Both the European Research Area and the European Higher Education Area introduce new ways of thinking about the role of universities in

society and the economy. For the first time these new ways of thinking about higher education were formulated at an EU level – and were accompanied by a number of practical measures, coordinated and funded by the European Commission. Higher education, certainly left at the disposal of particular nation-states in recent decades in Europe, returns to the forefront in discussions about its future. In practice, this return to the European level has different meanings in different countries. But its significance may possibly be higher in European transition economies which might be willing to take recent EU recommendations very seriously indeed – as a comprehensive package of ideas on how to reform their collapsing education systems. We think it is crucial to view the changing roles of the university in this regional, European context.

In recent years the project of European integration seems to have found a new leading legitimizing motif: education and research for the "Europe of Knowledge". A crucial component of the Europeanization process today is its attempt to make Europe a "knowledge society" (and, perhaps even more, a "knowledge economy") in a globalizing world. "Education and training" (to use a general EU category) becomes a core group of technologies to be used for the creation of a new Europe; the creation of a distinctive and separate "European Higher Education Area" as well as a "European Research (and Innovation) Area" is the goal the EU has set itself by a deadline of 2010. The construction of a distinctive European educational policy space – and the introduction of the requisite European educational and research polices – has become part and parcel of EU "revitalization" within the wide cultural, political and economic Europeanization project. As Martin Lawn excellently hit the point,

> Europe is not a place... Europe is a project, a space of meaning, a state in process, and education is the core technology in which governance, ordering and meaning can be constructed. Without education, there can be no Europe. … The emergence of the revelation of a "European education area" is fundamental to the contemporary structuring of the EU; it announces the arrival of a major discursive space, centered on education in which the legitimation, steering and shaping of European governance is being played out (Lawn 2003: 325–326).

We are witnessing the emergence of a "new Europe" whose foundations are being constructed around such notions as "knowledge", "innovation", "research", "education" and "training". We are building a new "common European home", to which higher education and research are providing "decisive" contributions (as the president of the European University Association put it recently, Froment 2003: 27). Education, and especially lifelong learning, becomes a new discursive space in which European dreams of common citizenship are currently being located. This new "knowledge-based Europe" is becoming increasingly *individualized* though; ideally, it consists of individual European *learners* rather than *citizens* of particular European nation-states. The emergent European educational space is unprecedented in its vision, ambitions and possibly the capacity to influence national educational policies. In the new knowledge economy, education policy, and especially higher education policy, cannot remain solely at the level of Member States because only the construction of a new educational space in Europe can possibly provide it with a chance to forge a new sense of European identity. "Europeans", in this context, could refer directly to "European (lifelong) learners"; individuals investing their dreams for the future in a specific kind of knowledge – knowledge for the knowledge economy. The symbol of this new Europe is not "the locked up cultural resources of nation states, but the individual engaged in lifelong learning" (Lawn 2001: 177); not the nationally-bound and territorially-located citizen of a particular member state but the individual with an individuated "knowledge portfolio" of education, skills, and competencies. European citizenship is being discursively located in the individual for whom a new pan-European educational space is being built. The individual attains membership in this space only through knowledge, skills and competencies.

The idea of Europe, with its founding myths and symbols as well as the core normative narratives and major discourses that hold Europeans as Europeans together, is being redefined and renegotiated; and it is this new education space (being constructed through the emergent European educational and research policies discussed in the present chapter) in which the new European identity

is being forged that seems crucial today when discussing transformations of European universities. In this new space, education is no longer merely *a public good*, as it is increasingly being tied to the individual and his or her future role in the "Europe of Knowledge", which a whole series of policy papers have indicated, with the Jacques Delors White Paper on *Growth, Competitiveness, Employment. The Challenges and Ways Forward into the 21st Century* (1993) and the *Presidency Conclusions of the Lisbon European Council* (2000) in the forefront.[1] Through prioritizing the idea of "lifelong learning" in the Lisbon strategy and in the EU agenda of "Education and Training 2010" (see EC 2000d), learning becomes redefined as an individual activity, no longer as closely linked with national projects that we discussed in the chapter on the university and the nation-state. The new "learning society" comprises more and more "(European) learning individuals", wishing and able to opt in and opt out of particular European nations and states (for whom the crucial ability is the ability "to learn to learn", as the European Commission put it in *Towards a Europe of Knowledge*). Consequently, one of the key concepts in the Bologna Process for the integration of European higher education systems is no longer *employment* but *employability*, a transfer of meanings through which it is *the individual's responsibility* to be employed, rather than the traditional responsibility of the state, as in the Keynesian "full employment" welfare model.[2] Lawn refers in

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[1] Martin Lawn defines this new European identity through the importance of creativity, adaptability, entrepreneurship and education for democratic citizenship. As he argues, "being European means embodying the new discourse; the new citizens will be integrated, successful, responsible and mobile. … They will carry with them the obligation to upgrade their learning, a learning related to knowledge and citizenship within a vision called the European educational space" (Lawn 2003: 332).

[2] As the *Memorandum of Lifelong Learning* phrased it, "people themselves are the leading actors of knowledge societies. It is the human capacity to create and use knowledge effectively and intelligently, on a continually changing basis, that counts most. To develop this capacity to the full, *people need to want and to be able to take their lives into their own hands*" (EC 2000d: 7, emphasis mine). I am not able to agree with Nico Hirtt's sarcastic comments to the *Memorandum* in his "From Brussels to Lisbon: the European Round Table Education-Agenda Put into Practice by the European Commission", with his strong opposition between the state and the individual,

this context to a "deliberate attempt to create a project for Europe in which the citizen, the employee and the learner are constructed together and are formed within a new mode of governance" (Lawn 2003: 332).

6.2. Ten Years of European Higher Education Policies

The European Council in Lisbon of 2000 (and its aftermath) brought about a dramatic shift in thinking about national vs. European levels of competence in higher education:

> At its meeting in Lisbon in March 2000, the European Council (the Heads of State of EU countries) acknowledged that the European Union was confronted with a quantum shift resulting from globalisation and the knowledge-driven economy, and agreed a strategic target for 2010: *To become the most competitive and dynamic knowledge-based economy in the world, capable of sustainable economic growth with more and better jobs and greater social cohesion.* These changes required not only *a radical transformation of the European economy, but also a challenging programme for the modernisation of social welfare and education systems* (EC 2002d: 7).

Current developments, especially the emergence of the European Research Area, are consequences of this shift of interest which was the signal for taking the idea of knowledge-based economies and knowledge-based societies in Europe very seriously.[3] What followed regarding both the common European higher education and research areas, must be viewed in this context.

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including his "well now, if you can't get a good job, it's entirely your own fault!" or "not only the worker has to be able to adapt to a changing environment. So does the school itself" (Hirtt 2001: 5, 8).

[3] The term "knowledge-based economy" was probably first defined in 1996 in the OECD's book under this title; the description reads as follows: "the term 'knowledge-based economy' results from a fuller recognition of the role of knowledge and technology in economic growth. Knowledge, as embodied in human beings (as 'human capital') and in technology, has always been central to economic development. But only over the last few years has its relative importance been recognized, just as that importance is growing. The OECD economies are more strongly dependent on the production, distribution and use of knowledge than ever before" (OECD 1996: 9; see Peters 2001, 2003; Delanty 2001).

European universities had not been the focus of much reflection at the European Union level in the 1990s (between 1991 when *Memorandum on Higher Education in the European Community* was published – and 2000 when the Lisbon strategy was formulated). The formal competencies of the European Commission for higher education policy, in general, are still very limited. The limitation in question relates to the so-called Subsidiarity Principle which implies that in the areas which do not belong to the exclusive competence of the Community, community policy will be developed only in these areas in which national policy-making is insufficient (see van der Wende 2000: 306).[4] As the European Commission's communication *Towards a European Research Area* reaffirmed in 2000, "the Treaty [of Maastricht, 1992] provides the European Union with a legal basis for measures to help to support European cooperation in research and technological development. However, *the principal reference framework for research activities in Europe is national*" (EC 2000a: 7, emphasis mine).

The Treaty of Maastricht (1992) introduced two new articles into the section on "Education, Vocational Training and Youth": article 149, point 1, states that "the Community shall contribute to the development of quality education by encouraging cooperation between Member States and, if necessary, by supporting and supplementing their action, while *fully respecting the responsibility of the Member States for the content of teaching and the organisation of education systems and their cultural and linguistic diversity*". The authority of the EU is also limited in the area of vocational training by the statement that the Community shall support and supplement the action of the Member States "while fully respecting the responsibility of the Member States for the content and organisation of vocational training". At the same time, the EU shall adopt measures to contribute to the achievement of the objectives referred to in this Article, "excluding any harmonisation of the laws and regulations of the

[4] The involvement of the EU in educational policy, technically speaking, is linked to the so-called Open Method of Coordination (OMC) – a new, "post-regulatory" form of governance – used already to reach an agreement that made the introduction of the common currency in some EU countries possible (see Dale 2002: 14).

Member States" (*The Treaty on European Union* 1992: art. 149, 150). The aims of Community action in the Treaty of Maastricht were presented in soft language and included such formulations as "to facilitate", "stimulate", and "develop exchanges of information".[5] The principle of subsidiarity, formally limiting the EU's scope of interest in e.g. education, reads as follows:

> [T]he Community shall act within the limits of the powers conferred upon it by this Treaty and of the objectives assigned to it therein. In areas which do not fall within its exclusive competence, the Community shall take action, in accordance with the principle of subsidiarity, only if and insofar as the objectives of the proposed action cannot be sufficiently achieved by the Member States and can therefore, by reason of the scale or effects of the proposed action, be better achieved by the Community (*The Treaty on European Union* 1992: art. 5).

Higher education is one of those areas which do not fall within the exclusive competence of the European Union; consequently, the involvement of the EU is strictly defined and limited to some actions only (de Witt and Verhoeven 2001).

In the most general terms, the new (Draft) *Treaty Establishing a Constitution for Europe*, submitted to the President of the European Council in Rome (and then rejected in December 2003) follows the same lines of thinking about education and training. Section 4, "Education, Vocational Training, Youth and Sport", consisting of two articles (art. III-182 and art. III-183), does not introduce any major changes to the formulations of the Treaty of Maastricht. The Union is supposed to contribute to quality education by "encouraging cooperation between Member States and, if necessary, by supporting and complementing their action". In the spirit of the previous formulation of the issue, the Union shall "fully respect the responsibility of the Member States for the content of teaching and the organisation of education systems and their cultural and linguistic diversity" (*Draft Treaty* 2003: art. III-182).

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[5] As Pat Davies comments on the two articles from the Maastricht Treaty, "although the Treaty established and confirmed the competence of the EU in both education and training, its powers were strongly constrained and its opportunities for action remained ambiguous" (Davies 2003: 104).

The crucial periods, as Anders J. Hingel in "Education Policies and European Governance" argues, were the period 1993–1996 (when the European Commission published the Jacques Delors White Paper on growth, competitiveness, and employment, and a policy paper on *Teaching and Learning – Towards the Learning Society*) and the period 1997–1999, leading to the present period which began in 2000: that of building a European Research and Innovation Area (paralleled, since 1999, by the Bologna Process for building a European Higher Education Area). The crucial documents, from the perspective of current developments, were *Growth, Competitiveness, Employment. The Challenges and Ways Forward into the 21st Century* (1993), *Presidency Conclusions of the Lisbon European Council* (2000), *The Concrete Future Objectives of Education and Training Systems* (2001), complemented by the recent Wim Kok report, *Facing the Challenge. The Lisbon Strategy for Growth and Employment* (2004).

The Jacques Delors White Paper showed novel ways of thinking about the role of education and training for Growth, Competitiveness and Employment. It elaborated the theme of "research and technological development" (Chapter 4) and urged the "adaptation of education and vocational training systems" (Chapter 7), placing education in an important position within the emergent "new development model" (Chapter 10).[6] The paper was far-reaching in its visions on the future of Europe and gave, *inter alia*, a new impetus to thinking about the role of education and training in job creation and economic growth. As its Preamble states,

> Yes, we can create jobs, and we must do so if we want to safeguard the future – the future of our children … and the future of our social protection systems, which are threatened in the short term by inadequate growth and in the long term by the deterioration in the ratio of the people in jobs to those not in employment (EC 1993: 1).

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[6] The Delors White Paper is referred to as perhaps "the most influential general policy document ever made by the Commission" (Hingel 2001: 6) and one of the "most significant documents in terms of its reach into a whole range of policy areas, including education and training, and its impact on the actions that followed" (Davies 2003: 104).

The paper urges the need to create a "healthy", "open", "decentralized", "characterized by solidarity" and "more competitive" economy (EC 1993: 12–14) to reverse the "disastrous course" which the European Union was taking – and to create 15 million jobs by the end of the 20th century (EC 1993: 11). It is here that the idea of lifelong learning is for the first time so forcefully presented to a European audience (and three years later the theme is further developed in *Teaching and Learning – Towards the Learning Society*):

> lifelong education is … the overall objective to which the national educational communities can make their own contributions. … [P]ublic and private efforts must be married to create the basis in each Member State *for a genuine right to initial or ongoing training throughout one's lifetime*. This should be a key area of social dialogue at European level (EC 1993: 17, emphasis in original).

The Jacques Delors White Paper views education (and vocational training) as having a key role in stimulating the growth of, and restoring competitiveness to, the European economy but it stresses that education and training should not be seen as the *sole* solution to the most urgent questions and the most immediate problems; education and training policies should be combined with other new policies in other areas. Nevertheless, the Paper presents its strong view on the need for a re-examination of education systems in Europe – the need to adapt them to the emergent environment. The formulations used in this context include "adaptation", "suiting to the (new) task", "re-examination", "reworking", "recomposition", "redevelopment", "reorganization", "readjustment" etc; the paper reads:

> There is no doubt that they could play a significant part in the emergence of a new development model in the Community in the coming years. However, European systems of education and training will be able to do this only if they are suited to the task. Indeed, it is the place of education and training in the fabric of society and their links with all economic and social activity which must be re-examined. *In a society based far more on the production, transfer and sharing of knowledge than on trade in goods, access to theoretical and practical knowledge must necessarily play a major role* (EC 1993: 117, emphasis in original).

The areas in which "re-examined" and "re-focused" (as well as "well-planned") education and training should produce positive results were the following: combating unemployment, boosting economic growth, and developing such a form of growth which produces more employment. Specific suggestions for the improvement of education and training systems included: an increasingly practical orientation of training, a rationalization of education by providing a shorter period of general education (better tailored to market needs), and improvements in coordinating the measures taken by various authorities and bodies (EC 1993: 118). The paper also introduced other distinctly "Bologna" themes while referring to the weaknesses of education systems at a European level: "the lack of a genuine European market in skills and occupations; the lack of mutual transparency and the limited recognition of qualifications and skills at Community level; the lack of a genuine European area for open and distance learning" (EC 1993: 11). As will be seen later in this chapter – while discussing the current stage of the integration of European higher education – very similar general themes about education and training have run for half a century now: from the Treaty of Rome to the documents of the Bologna Process.[7] The core concept in rethinking the role of education and training in society is "lifelong learning", merely suggested in the paper but developed further in a separate communication on the "learning society".[8]

Following the European Council meetings in Lisbon in 2000 (the "Lisbon agenda" of transformations to the European economy,

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[7] As *Growth, Competitiveness, Employment* put it 6 years before the Bologna Declaration and 5 years before the Sorbonne Declaration: the first objective should be to "develop still further the European dimension in education: … *to establish a genuine European area of … skills and training* by increasing the transparency, and improving the mutual recognition, of qualifications and skills; to promote European-level mobility among teachers, students and other people undergoing training" (EC 1993: 122, emphasis mine).

[8] As the paper argues, "all measures must … necessarily be based on the *concept of developing, generalizing and systematizing lifelong learning and continuing training*. This means that education and training systems must be reworked in order to take account of the need … for the *permanent recomposition and redevelopment of knowledge and know-how*" (EC 1993: 120, emphasis in original).

welfare, and education[9]) and Barcelona in 2002 (the goal of European universities becoming "world quality reference" by 2010), the European Commission is clearly enlarging its field of operation in education (see van der Wende 2003: 16). While until 2001 the European Commission was not officially invited to become a full member of the Bologna Process (and the Bologna Process was deliberately situated *outside* EU-institutions, as Balzer and Martens remind us, 2004: 3), currently the Commission is working within the overall framework of "Education and Training 2010" which includes under its subheadings both the Bologna Process, the European Higher Education Area and the Bruges-Copenhagen process of establishing a European area for vocational training (with the common deadline for the three processes and for the Lisbon strategy set at 2010).[10]

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[9] In the most general terms, the Lisbon strategy can be presented through its structural indicators in different policy areas. Without getting into the details of the actual targets to be reached by 2010, let us enumerate the main policy areas and corresponding indicators: economic background (GDP per capita, labor productivity per person employed), employment (total employment rate (15–65 age group) and total employment rate of older workers (55–64), innovation and research (gross domestic expenditure on R&D, as % of GDP, and youth education attainment level, as % of 20–24 years old completing at least upper secondary education), economic reform (comparative price levels, business investment by private sector as % of GDP), social cohesion (at-risk-of-poverty rate after social transfers, dispersion of employment rates across regions, within countries, and total long-term unemployment rate), and the environment (total greenhouse gas emissions, energy intensity of the economy, and transport – volume of freight transport) (see EC 2004b: 15). The relative performance of the EU-15 countries and new EU member states according to these structural indicators for 2003 have been presented in Annexes to the Kok Report (EC 2004a: 48ff).

[10] The Bruges-Copenhagen process was started in 2002 and it comprises more than 30 states today (also, in contrast to the Bologna Declaration, the Copenhagen Declaration was actually signed by the European Commission as well). Both the Declaration and the process somehow emulate the development of the Bologna Process. For example the opening sentence stresses that cooperation at the European level within education and training has come "to play a decisive role in creating the future European society". Vocational educational and training systems have to continuously adapt to "new developments and changing demands of society". The main priorities of the Copenhagen process are the European dimension (in order to make Europe "a worldwide reference for learners"); transparency, information and guidance (including the integration of the European CV, certificate and diploma

The reason for the renewed EU interest in higher education is clearly stated by the Commission: while responsibilities for universities lie essentially at national (or regional) level, the most important challenges are "European, and even international or global" (EC 2003b: 9). The divergence between the organization of universities at the national level and the emergence of challenges which go beyond national frontiers has grown, and will continue to do so. Thus a shift of balance is necessary, the arguments go, and the Lisbon agenda in general, combined with the emergence of the European Research Area in particular, provide new grounds for policy work at the European level, no matter what particular Member States think of it and no matter how they view the restrictions on engagement in education issues imposed on the EU by the Maastricht Treaty with its principle of subsidiarity.[11]

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supplements, the Common European framework of reference for languages and EUROPASS into a single framework); the recognition of competences and qualifications (developing common principles of certification and a credit transfer system for vocational education and training); and quality assurance (exchange of models and methods, common criteria and principles). The guiding principles of the process are: a target date of 2010, the measures taken should be voluntary and principally developed through "bottom-up" cooperation, initiatives should be focused on the "needs of citizens and user organizations" and cooperation should be inclusive (see Copenhagen Declaration 2002: 1–3). On the role of vocational education in the Lisbon agenda, see the recent report to the European Commission, *Achieving the Lisbon Goal: The Contribution of VET* (EC 2004b), especially section 1 for the general context.

[11] It is useful to remember a distinction between "hard" and "soft" methods of coordination on the part of the European Community. In those areas where Member States have transferred responsibility to the EU, the former methods are used. In the case where the principle of subsidiarity is in force (e.g. employment and education), the European Commission operates through OMC ("Open Method of Coordination"), introduced for the first time with respect to education and welfare issues in the Lisbon Presidency Conclusions in 2000. The OMC that is currently implemented in dealing with education policies on a European level is *a new form of governance*. This method involves guidelines, timetables, indicators, benchmarks, targets, measures, monitoring, and evaluation. As the Conclusions read: "fixing *guidelines* for the Union combined with specific *timetables* … establishing, where appropriate, quantitative and qualitative *indicators* and *benchmarks* against the best in world … translating these European guidelines into national and regional policies by setting specific *targets* and adopting *measures* … periodic *monitoring*, *evaluation* and peer review organised as

The Lisbon European Council of 2000 described the new economic and social challenge of the last decade as a

> *quantum shift resulting from globalisation and the challenges of a new knowledge-driven economy.* These changes are affecting every aspect of people's lives and require a radical transformation of the European economy (Lisbon Council 2000: 1, emphasis mine).

Reaching this "strategic goal" over the next decade (the oft-quoted one, already referred to above: "to become the most competitive and dynamic knowledge-based economy in the world, capable of sustainable economic growth with more and better jobs and greater social cohesion") requires setting up programs for building knowledge infrastructure, enhancing innovation and economic reform, and – of most interest to us here – "modernising social welfare and education systems" (Lisbon Council 2000: 1). The shift to a digital, knowledge-based economy will be a powerful engine for growth and competitiveness, the communication argues. Consequently, the idea of a European Area of Research and Innovation was affirmed, with research and development's role in "generating economic growth, employment and social cohesion" also being mentioned. The communication invoked the full exploitation by the

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mutual learning process" (*Lisbon Council* 2000: para. 37, emphases mine). Balzer and Martens described the idea more generally in their "International Higher Education and the Bologna Process. What Part Does the European Commission Play?": "governance by 'co-ordination' refers to the ability of the European Union to provide the means to organize, manage and handle procedures which promote initiatives in educational policy. Governance by co-ordination marks the special capacity to 'pull strings together'. It encompasses activities such as the organization of conferences and meetings where diverse and significant actors come together, but also its infrastructure such as the size of the organization, the number of staff (manpower) and the professional background and network they bring into the organization. Through such co-ordinative governance, the European Union can give incentives, initiate projects, and structure future developments. It is able to influence political processes by organising, directing and speeding up programmes and processes in educational policy" (Balzer and Martens 2004: 6–7). See a very critical position of Roger Dale in "The Lisbon Declaration, the Reconceptualisation of Governance and the Reconfiguration of European Educational Space" (2003: 13–15) who argues that the OMC makes policy decisions into "technical" matters for long-term negotiations between "experts" who are not merely "de-nationalized" but also "Europeanized".

European Commission of "the instruments under the Treaty and all other appropriate means" (Lisbon Council 2000: 3).

Incidentally, it is interesting to note that in the case of the presidency conclusions of the Lisbon Council (2000) and of the Barcelona Council (2002), both stressing the role of education, research and development, *universities* as such (as opposed to education and training systems in general) *are not mentioned*; the word is non-existent except for two minor contexts: university degrees and an enhanced communication network for libraries, universities and schools.

The necessary steps mentioned in the Lisbon conclusions with respect to establishing a European Area of Research and Innovation include developing mechanisms for networking, improving the environment for private research investment, research and development partnerships and high technology start-ups, encouraging the development of an "open method of coordination" for the benchmarking of national research and development policies, a high speed transeuropean communication network, taking steps to increase the mobility of researchers and introducing Community-wide patents (Lisbon Council 2000: 3–4). Again, universities do not appear as separate subjects, or objects, of these steps. The subsection on "education and training for living and learning in the knowledge society" appears in the section on "modernizing the European social model by investing in people and building an active welfare state". The crucial paragraph reads as follows:

> Europe's education and training systems need to adapt both to the demands of the knowledge society and to the need for an improved level and quality of employment. They will have to offer learning and training opportunities tailored to target groups at different stages of their lives: young people, unemployed adults and those in employment who are at risk of seeing their skills overtaken by rapid change. This new approach should have three main components: the development of local learning centers, the promotion of new basic skills, in particular in the information technologies, and increased transparency of qualifications (Lisbon Council 2000: 7).

The targets set in Lisbon included a substantial annual increase in per capita investment in human resources, the number of 18 to 24

year olds who are not in further education and training to be halved by 2010, schools and training centers to be developed into "multi-purpose local learning centers" accessible to all, and the development of a European framework defining the new basic skills to be provided by lifelong learning and defining a common European format for curricula vitae. Finally, the European Council asked the Education Council to undertake a "general reflection on the concrete future objectives of education systems, focusing on common concerns and priorities while respecting national diversity" (Lisbon Council 2000: 7–8). Indeed, in 2001 the Education Council presented the product of this general reflection, its report *The Concrete Future Objectives of Education and Training Systems*.

The report refers to the three general aims which society attributes to education and training: the development of the *individual*, the development of *society*, and the development of the *economy* (Council of the European Union 2001: 4). The three objectives for the coming decade were defined as increasing the quality and effectiveness of education and training systems, facilitating access to all to them, and opening them to the wider world (Council of the European Union 2001: 7). In the most general terms, the crucial themes of the report are developing skills for the knowledge society, the importance of "the ability to learn" and lifelong learning, open learning centers and attractive learning, and, finally, developing "the spirit of enterprise" in European societies.[12] The report does not refer specifically to universities but argues that changes are needed in the way education and training systems in general are delivered: "all parts of those systems have to become more democratic and more welcoming in their attitude to learners – particularly higher education" (Council of the European Union 2001: 12). The fundamental role of education is reaffirmed, together with the need for its adaptation to the new knowledge society; the future of the European Union, the report argues, requires a

[12] Or as the Lisbon conclusions put it, the need to create "a friendly environment for starting up and developing innovative businesses", or as the Wim Kok report on the Lisbon strategy echoed the theme, Europe requires entrepreneurship but it is "not 'entrepreneur-minded' enough" (EC 2004a: 28).

> solid contribution from the world of education and training. It requires that education and training systems can be adapted and developed so as to deliver the skills and competencies everyone needs in the knowledge society; to make lifelong learning attractive and rewarding; and to reach out to everyone in society (Council of the European Union 2001: 16).

To cut short the long story of the implementation of the Lisbon strategy: in November 2004 the Wim Kok report reviewing the Lisbon strategy was presented. The general message of the report was clear: there was slow progress and disappointing delivery due to an "overloaded agenda, poor coordination and conflicting priorities" and a lack of determined political action (EC 2004a: 6). The report argues that halfway to 2010, the Lisbon deadline, the overall picture is "very mixed" and much needs to be done "to prevent Lisbon from becoming a synonym for missed objectives and failed promises", so the report asks for the "revitalization" of the strategy (EC 2004a: 10, 39). Europe, if it wishes to protect and retain its particular social model, must act, and must act now.[13] The picture of the challenges ahead is daunting, and we need to see European (and EU, a distinction to be born in mind) educational policies in this context:

> At risk – in the medium to long run – is nothing less than the sustainability of the society Europe has built. Europeans have made choices about how to express the values they hold in common: *a commitment to the social contract* that underwrites the risk of unemployment, ill-health and old age, and provides opportunity for all through high-quality education, a commitment to public institutions, the public realm and the public interest, and that a market economy should be run fairly and with respect for the environment. These values are expressed in systems of welfare, public institutions and regulation that are *expensive in a world where low cost and highly efficient producers are challenging the old order*. If Europe cannot adapt, cannot modernise its systems and cannot increase its growth and employment fast

[13] A recent thick (almost 250 pages) report to the European Commission about vocational education's role in the Lisbon agenda (*Achieving the Lisbon Goal: The Contribution of VET*) is much less pessimistic about the Lisbon targets in general: "in spite of the gloomy and problematic overall prognosis, some targets are certainly within reach and some countries have made outstanding progress along specific lines" (EC 2004b: 12).

enough, then it will be impossible to sustain these choices (EC 2004a: 16, emphases mine).

This is a clear message: if Europe does not focus on growth and employment, *the new global order may sweep away the old order, including its expensive social model*. It is the solid appeal of the above picture that plays a fundamental role in current EU views on the future role of higher education and research and development systems. The underlying rationale for the EU agenda of "Education and Training 2010" is clearly *economic* and can be derived directly from the Lisbon strategy. But at the same time the stakes have never been so high: they are the "be or not to be" of the European Social Model and, by extension, of the educational systems that this model still makes possible. The extent to which educational institutions themselves are aware of the stakes is unclear though.

The Kok report recommends four main areas of action to increase employment levels and improve productivity in Europe. These are: increasing the adaptability of workers and enterprises; attracting more people into the labor market for longer; investing more intensely and effectively in human capital, particularly through lifelong learning; and improving governance to ensure better implementation (see EC 2004a: 15). Only one of the five broad priority policy areas, the realisation of the knowledge society in Europe, is of interest to us here.[14] As the future of Europe's economic development depends on its ability to create innovative and research-based sectors of the economy, capable of global competition, one of the preconditions for their growth is increasing research and development spending. The Kok report concludes that one of the most "disappointing" aspects of the Lisbon strategy, as realized up to today, is that the importance of research and development is still "so little understood and that so little progress has been made" (EC 2004a:

[14] The other four being the completion of the internal market and the promotion of competition (including services and financial services), the establishment of a favorable climate for business and enterprise, building an adaptable and inclusive labor market, and the promotion of win-win environmental economic strategies (see EC 2004a: 18).

19). Surprisingly, the report goes as far as to state that Europe needs to improve its attractiveness to researchers "dramatically", that Member States need to rethink the problem of funding for universities (including researchers' remuneration), and that public support for research and development should be "boosted" (EC 2004a: 21). In contrast to other major EU publications on the subject – and clearly in contrast to the tradition started by the Delors White Paper (where the problem was not just a "question of increasing the level of public funding", EC 1993: 121) – the Kok report locates the major part of the responsibility for research and development funding back in the state, although in partnership with the private sector.

6.3. Towards a Redefinition of the Roles and Missions of the Modern University

The process of creating the European Higher Education Area and the simultaneous emergence of the European Research Area have one major common dimension: that of a *redefinition* of the roles, missions, tasks, and obligations of the institution of the university in the rapidly changing and increasingly market-driven and knowledge-based European societies and economies. Both teaching and research are undergoing substantial transformations today and the institution of the university in all probability will not be able to avoid the process of substantial, in part planned and in part chaotic, transformations to its functioning.

The two parallel processes are already relatively well advanced in some countries and are being promoted all over Europe, including Central and Eastern Europe and the Balkans. While the effects of the emergence of the European Research Area are restricted mostly to the beneficiaries of research funds available from the EU, the Bologna Process may potentially influence the course of reforms to national higher education systems in over 40 countries, both EU members, EU candidate countries and others, potentially reaching as far as the Caucasus. While the Sorbonne Declaration (1998) was signed by the ministers of education of four countries (France, Italy, the United

Kingdom, and Germany), the Bologna Declaration (1999) was signed by ministers from 29 countries, and finally at the Berlin conference in September 2003 and the Bergen conference in May 2005 more newcomers to the Bologna Process were accepted.[15] Though official Bologna documents usually refer in this context to the "diversity" of the countries and institutions involved, the process in its present geographical, economic and political composition faces the tremendous challenge of maintaining a single pace of change in all the countries involved. Judging from the experience of the social and economic transformations in Central and Eastern Europe and the Balkans, to keep the process going at one speed is going to be very difficult; in the coming years, most probably, the process will follow separate tracks and therefore should be accompanied by separate descriptions of the most urgent reforms, the different challenges facing different countries and, most importantly, by separate sets of policy recommendations for clusters of countries implementing reforms at different paces – if the reforms are not going to be just a theoretical exercise in many of them.

The primary objectives of the Bologna Process as stated in the Bologna Declaration are the following:

(1) Adoption of a system of easily readable and comparable degrees, also through the implementation of the Diploma Supplement.
(2) Adoption of a system essentially based on two main cycles, undergraduate and graduate.
(3) Establishment of a system of credits … as a proper means of promoting the most widespread student mobility.

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[15] Such as e.g. Albania, Bosnia and Herzegovina, the Holy See, Russia, Serbia and Montenegro, Macedonia, Armenia, Azerbaijan, Moldova and Ukraine. It is interesting to note (to a large extent only recently) that an EU-driven process may potentially have an impact on national higher education systems *far beyond the EU-25*, reaching even to the Caucasus. It is not an EU directive, not a European law – but simply a declaration of intent. As Zgaga argued, "entering the Bologna Club is a serious decision. It is not only a verbal note to neighbours; it also requires hard work at national level to connect the local infrastructure to agreed upon 'common roads': readable and comparable degrees, quality assurance, promotion of mobility, etc" (Zgaga 2003b: 253).

(4) Promotion of mobility by overcoming obstacles to the effective exercise of free movement.
(5) Promotion of European co-operation in quality assurance with a view to developing comparable criteria and methodologies
(6) Promotion of the necessary European dimensions in higher education, particularly with regards to curricular development, inter-institutional co-operation, mobility schemes and integrated programmes of study, training and research (Bologna Declaration 1999: 4).

One of the major problems is that the "Bologna Club" (as Pavel Zgaga has called the signatory countries) comprises higher education systems which are not only so much *diverse* (as within the EU-15) but also *totally incompatible* (such as countries which originated from former Soviet republics in Eastern Europe or the Balkans, compared with the EU-15); consequently the objectives of the reforms to be implemented in these separate groups of countries are different: most transition countries are experiencing problems which most EU-15 countries faced in the 1970s, e.g. the massification of higher education with dramatically rising enrolment rates, plus a low correlation between the skills and competencies gained in the education sector and labor market needs. Current issues also include often virtually non-existent research and development in the areas crucial to emergent knowledge societies; the scant influence of globalization pressures on education policies; very high levels of unemployment reaching 60% or more in some transition countries; no intention of preserving the European social model because such European welfare never existed in most of these countries etc. The economic rationale behind the whole range of European transformations to higher education as well as research and development policies[16] – recently gathered together under the agenda

[16] As Pat Davies argues in "Widening Participation and the European Union: Direct Action – Indirect Policy?", "the European Union has its roots in the idea of economic union; one that was initially built around the coal and steel industries … Despite the fact that the modern EU is a very different animal from those early days, economic growth and competitiveness remain at the heart of the EU project, albeit in a different economic context – globalisation and the knowledge society, rather than post-War reconstruction" (Davies 2003: 99). What has changed in the meantime, and accelerated especially over the last decade or so, is the idea that some kind of emergent European research and education space *might be at the very heart of the*

of "Education and Training 2010" which can be clearly derived from the Lisbon strategy of 2000 and which comprises both the Bologna Process, the Bruges-Copenhagen process for the integration of vocational education and the European Research Area boosted by the EU 6th Framework Programme – may seem very abstract indeed in such countries as Russia, Bosnia and Herzegovina, Albania, Armenia, Moldova or Azerbaijan. The ideas which started in a few core Western European countries, with powerful intellectual and financial input from the European Commission, are now spreading at an astounding speed (through a process which might itself require "epidemiology" for its explanation, as Amaral and Magalhães suggest, 2002). At the same time, we have to remember that the global situation in higher education is very dynamic indeed: as Peter Scott phrased it recently, "it is not Central and Eastern European higher education that is in transition; it is all higher education" (Scott 2002b: 151).[17]

Even though the tracks of the emergence (or construction) of the European Higher Education Area and of the European Research Area have been separate, there has been clear convergence between them recently.[18] (In more general terms, we can distinguish between three tracks: inter-institutional, inter-governmental, and supranational. Firstly, the *Magna Charta Universitatum* signed in Bologna in 1988 by

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European project and might contribute directly to growth, competitiveness and employment (to refer directly to the Jacques Delors White Paper again).

[17] Another fundamental difference between changes in higher education systems in Western and Central/Eastern Europe is the difference between what Harry de Boer and Leo Goedegebuure (while analyzing the systems in the Czech Republic, Hungary, Poland, and Slovenia in "New Rules of the Game? Reflections on Governance, Management and System Change") called "evolution" and "revolution". Apart from the pace of changes, the difference was also in belief vs. complete loss of faith in the role of the state in social transformations, and deeper belief in, and practical reliance on, market mechanisms of coordination (De Boer and Goedegebuure 2003: 227).

[18] But it is also interesting to follow the motif recently evoked by Ronald J. Pohoryles – why the "creation" or "establishment" of a European Research Area? Why does the 6th Framework Programme involve a "radical shift" from activities within prior framework programs? The area, he argues, is "an already existing reality and not a theoretical construct" (Pohoryles 2002a: 391). The major difference is certainly political (the Lisbon agenda) and involves such notions as "knowledge-based societies" and "knowledge-based economies".

the rectors of European universities initiated the track of higher education institutions, followed by the Salamanca and Graz Conventions of European higher education institutions organized in 2001 and 2003[19] secondly, the Sorbonne – Bologna – Prague and Berlin meetings have all been on the track of national ministers of education/governments; and thirdly, the last track was at the EU level and consisted of various communiqués by the European Commission and other documents, the first being *Towards a European Research Area* in 2000 with the two most recent being: *The Role of Universities in the Europe of Knowledge* and *Researchers in the European Research Area*: *One Profession*, *Multiple Careers*, both in 2003). Recently, the supranational, inter-governmental and inter-institutional levels have been getting increasingly mixed (see Zgaga 2003a: 7). Let us start with the intergovernmental level of the Bologna Process, noting the impact of the supranational EU level.[20]

The European Commission, European governments and the vast majority of rectors of European higher education institutions seem determined to implement the Bologna requirements, while the least determination is shown by the academic profession in Europe. Consequently, the actors most directly involved in the actual implementation of the Bologna ideas are still largely unaware of, or disinterested in, its consequences, at least in the majority of the countries of the region. However, without clear support both for the

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[19] For a substantial discussion of the *Charta,* see Jerzy Brzeziński's "Reflections on the University" (1997). Brzeziński presents an interesting chart of values – eight bi-polar value-dimensions in which the institution can be located.

[20] Thinking about emergent EU educational policies, it is also worth remembering here Roger Dale's recent argument about the *selectivity* of the shift in educational policies from the national to the European level: "as the politics of education moves to a European level as national economies become increasingly Europeanised, the education sector settlement – the arena on which the agenda for education comes into contact with the means of achieving the agenda – shifts *selectively* from the national to the European level. Very broadly, we might suggest that those elements linked directly to the reproduction of *national social formations* will remain at the nation-state level, while those more directly associated with the extended *reproduction of the mode of production* will move to the European level, increasingly the site and focus of that extended reproduction" (Dale 2003: 5, emphases mine; see also Robertson and Dale 2003). The shift Dale evokes is seen in subsequent communiqués about the European Research Area.

general reform agenda and for its implementation that reaches down to the level of each department in each university on the part of the academic faculty, the Bologna Process may fail, especially in countries other than the "old EU" (EU-15). The whole process might grind to a halt if the academic community is not convinced of the new opportunities it provides. Saying that, I fully agree with Alberto Amaral and António Magalhães' warning signal that "if the Bologna's convergence process gets out of control of academics and becomes a feud of European bureaucracy, then one may well see a process of homogenization, and this represents another factor endangering the traditional role of European universities" (Amaral and Magalhães 2002: 9).[21] There is also a danger that the Bologna Process may, in the region, turn out to be a theoretical exercise; by contrast, the two parallel processes of creating a common European higher education area and a common European research area in "core" European countries are not theoretical at all: what is already occurring is the rechannelling of EU research funds, changing research and development policies according to new priorities, as well as new policies about the recognition of diplomas for educational and professional purposes on an integrated European labor market.

6.4. The European Integration of Higher Education and Global Developments

The Bologna Process in its present form seems relatively closed to global developments in higher education: it may be perceived as largely inward-looking, focused mostly on European regional problems, and European regional solutions, in the relative absence of references to global changes in higher education and the huge political and economic transformations underlying them.[22] The

[21] In a similar vein, Ronald J. Pohoryles, President of the European Association for the Advancement of Social Sciences, locates the European Research Area between the two poles of "bureaucratic vision" and "academic mission" (Pohoryles 2002a).

[22] I am taking the side of Peter Scott here who reminds us in "Challenges to Academic Values and the Organization of Academic Work in a Time of Globalization"

institution of the university is playing a significant role in the process of the emergence of a common European higher education space and an increasingly important role in the parallel process of constructing a common European research space. What is clear, though, is that in neither of the two processes, is the university seen in the traditional way we know from the debates preceding the advent of globalization, the speeding up of the process of European integration and the passage from industrial and service societies to postindustrial, global, knowledge and information societies. The institution, in general, has already found it legitimate, useful and necessary to begin evolving together with the radical transformations of the social setting in which it functions. In this new global order, universities are striving for their new place as they are increasingly unable to maintain their traditional roles and tasks. As Zygmunt Bauman put it, the once evident functions of the universities are far from obvious today:

> The principles which in the past seemed to legitimize beyond doubt the centrality of universities are no more universally accepted, if not dismissed as obsolete or even retrospectively condemned. One is tempted to surmise that it is this ever more visible absence of *institutional* anchorage that is reflected in the widely noted, and mostly bewailed, transformation of the intellectual atmosphere characteristic of academic work – and particularly in the striking lack of intellectual confidence and trust in *philosophical* foundations of academic work (Bauman 1997: 49).

Both the official discourses on the common European space in higher education and research as well as a large part of the accompanying academic debates on the subject increasingly acknowledge that the current role of universities could be that of engines of economic growth for countries and regions, of contributors to the economic competitiveness of nations or suppliers of highly-qualified, well-trained workers for the new knowledge-driven economy and well-prepared citizens for the new knowledge-based

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that "there is a danger … that the Bologna Process will … become preoccupied with defining and defending an inward-looking, historical, defensive, exclusive (and exclusionary?) interpretation of the challenges facing European higher education" (Scott 2003: 295).

societies – which is clearly a radical reformulation of the traditional modern account of the role of the university in society, as discussed in Chapter 2. Without many discussions about *principles* (such as e.g. those accompanying the emergence of the Humboldtian model of the research university at the beginning of the 19th century or such as the major 20th century debates about the "idea" of the university), the university in a European context seems to be about to enter willy-nilly a new era of its development (see Kwiek 2005d).[23]

From among a plethora of factors leading to these transformations in viewing the social and economic role of the university, some should be especially emphasized here: the globalization pressures on nation-states and its public services and the strengthening of the common European political and economic project at the turn of the 20th century, as discussed in Chapter 3[24]; the end of the "Golden age" of the Keynesian welfare state (so positively inclined towards national public research and strong national public higher education systems) as we have known it over the first three decades or so of the second half of the 20th century, as reviewed in Chapter 4[25]; and the emergence of knowledge-based societies (and economies) in the countries of the affluent West, with the accompanying new social and educational policy paradigms. In more general terms, the processes (sometimes directly but more often indirectly) affecting the institution of the university today would be the gradual individualization (and

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[23] As Ruth Keeling comments on the ongoing transformations in her paper on "Locating Ourselves in the 'European Higher Education Area': Investigating the Bologna Process in Practice", the Bologna Process has become a "major reference for the restructuring of higher education systems throughout Europe. … The Bologna Process is co-ordinating changes in national higher education policies on an unprecedented scale" (Keeling 2004: 2).

[24] Paul Pierson, one of the leading welfare scholars, reminds us in his oft-quoted "Coping with Permanent Austerity: Welfare State Restructuring in Affluent Democracies" that the pressures on the state are structural and will not easily go away: "the welfare state now faces a context of essentially permanent austerity" (Pierson 2001a: 411).

[25] As Gøsta Esping-Andersen argued recently in "A Welfare State for the 21st Century", the welfare state is burdened with "responsibilities for which it was not designed" (Esping-Andersen 2001).

recommodification) of our societies and the denationalization (and desocialization) of our economies, as well as the universalization of higher education and the increasing commodification of research. The recent European discourse on the European Research Area leaves no doubts about the direction of changes in the roles and social tasks of the institution in emergent new societies: the economic discourse (rather than e.g. the social exclusion or social solidarity discourses) on the functioning of the institution is clearly on the rise at a European level.

There are many issues in which Bologna has been relatively uninterested; let us mention here the GATS negotiations which might include the services of the education sector (in which the European Commission, rather than particular EU member states, is a partner) and the role of "borderless" or transnational education[26]; the emerging private and for-profit sectors in higher education; the growing role of market forces in higher education and the increasing significance of the market paradigm (including the neoliberal paradigm) in thinking about higher education; declining public funds for higher education and for public higher education research; and the differences in the challenges of higher education faced by the old EU-15, new EU members and the postcommunist transition countries generally etc. Some recommendations provided by *Trends in Learning Structures in European Higher Education III* (Reichert and Tauch 2003) seem abstract in this context, especially with respect to the transition countries.

The Bologna documents seem to refer to relatively homogeneous higher education and research structures with fairly similar problems, and similar challenges for the future. Despite numerous references to the "diversity" of systems, the cultural and linguistic differences between them, and the varying degrees in the implementation of the process in various countries so far, it is very difficult to read the Bologna documents as if referring to the same degree to the old EU and the postcommunist transition countries (say, Germany or France

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[26] Transnational education means in this context "higher education activities in which the learners are located in a host country different from the one where the awarding institution is based" (van der Wende 2001a: 440).

on the one hand, and Albania, Macedonia and Russia on the other). What level of generality in describing the challenges as well as providing recommendations for action is needed if the Bologna documents are to refer to all the countries in question? What do these contrasted national systems of higher education have in common today the moment we leave the most general level of analysis? The relevant analysis comprising both the EU-15 and transition countries in general (especially in view of the fact that the number of transition countries involved in the Bologna Process is growing dramatically and today almost *all* of them are Bologna signatories) is still a job to be done, and it is a huge challenge for the future. Certainly, it is possible to introduce changes in these second tier countries on an official, especially legislative level. It may be even relatively easy to change the laws on higher education, especially if the Bologna Process arguments of catching up with the West are used for promotional purposes. But changing laws is not enough to reach the objectives of the Bologna Process, although it may be understood in this way by many government officials. Consequently, it is going to be another huge challenge for Bologna to avoid a reform on paper, especially in going beyond national laws, in many transition countries.

Let us move on to an inter-institutional level for a while. The *Magna Charta Universitatum* (which was signed by European university rectors in Bologna in 1988 and which precedes the Bologna Process *per se* by a decade – and which is referred to in both the Bologna Declaration and the Salamanca Convention message) is a document in a different register than later declarations and communiqués, whether from the supranational, intergovernmental or inter-institutional level; it is general, humanistic, and – from the perspective of current global and European developments in higher education – quite vague in its messages.

As a general declaration, it contains few details on how to proceed; but most of all, it is written in the vocabulary of a pre-knowledge economy and pre-globalization era. Consequently, it includes no remarks about globally competitive knowledge economies and knowledge-based societies, universities as drivers of economic growth, the need for more and better jobs, social cohesion

and social exclusion/inclusion, external – and especially global – pressures on higher education systems, emerging powerful market forces in research and development and its corporate takeover, changing European (or global) labor market requirements, long-term risks for private investments in public research, public-private partnerships, public sector reforms etc – all of which are mentioned in later documents of the Bologna Process or the process for the construction of the European Research Area. Instead, in the *Magna Charta* there are traditional ideas of universities' social roles and tasks. The idea that the university is an institution which "produces, examines, appraises and hands down *culture* by research and tradition" (Magna Charta 1988: 1, emphasis mine) would find very few followers among promoters of the common European educational and research spaces: it is technical knowledge rather than humanistic culture (understood along the German lines as *Bildung*) that is at stake today in the discussions on the role of the university in society and the economy, along the lines produced in recent years within the discourse on knowledge-based societies. It is specifically defined knowledge – knowledge to be commercialized and traded rather than traditional "universal" knowledge as presented in major 19th and 20th century works on the "idea of the university"[27]. (A counterpoint to the ideas of culture and universal knowledge in the new vocabulary comes from the European Commission's communiqué on the role of universities: "the knowledge society depends for its growth on the production of new knowledge, its

[27] To look at history again: Karl Jaspers in *The Idea of the University* describes the university as an institution "uniting people professionally dedicated to the quest and transmission of truth in scientific terms" (Jaspers 1959: 3). The modern founding fathers of the German research university introduced a radically new perspective: "uniting people" (students *and* professors working together for the sake of science), "professionally dedicated" staff (rather than dedicated in an "amateurish" way characteristic of the institutions of the Enlightenment), "the quest and transmission of truth" (i.e. teaching becomes accompanied by research) and "in scientific terms" (the German ideal of *Wissenschaft*). So almost all the components of the definition contrast the new idea of the university with the old, Medieval, one. The aim of instruction and research is the "formation of the whole man", it is "education in the broadest sense of term" – i.e. *Bildung* (Jaspers 1959: 3).

transmission through education and training, its dissemination through information and communication technologies, and on its use through new industrial processes or services" (EC 2003b: 2), or from a recent World Bank framework policy paper on *Constructing Knowledge Societies*: "the ability of a society to produce, select, adapt, commercialize, and use knowledge is critical for sustained economic growth and improved living standards", World Bank 2002: 7. None of the two major policy documents mention *culture* as an important point of reference).

Consequently, from the perspective of the developments over the last decade, the *Magna Charta Universitatum* comes as a remembrance of things past. In the context of the development of the joint European research space, it is hard to find in current discussions about the "Europe of Knowledge" more than conventional signs for the continuation of ideas about the university as an institution whose "constant care is to attain universal knowledge" and which is a "trustee of the European humanist tradition" (Magna Charta 1988: 14). Instead, as Jean-François Lyotard argued more than two decades ago in *The Postmodern Condition. A Report on Knowledge*, "knowledge is and will be produced in order to be sold; it is and will be consumed in order to be valorised in a new production: in both cases, the goal is exchange" (Lyotard 1984: 4).

It seems not only no longer possible to discuss the European integration of higher education and research in the language of the founders of the modern German research university (von Humboldt, Schelling, Fichte, Schleiermacher and others, as well as their ancestors) but also it seems no longer possible to use for a description of the recent course of events on both global and European planes solely the language used by rectors of European universities a mere 15 years ago in Bologna. The working vocabulary used for debates on the future of the university – the vocabulary of the European research area, the Bologna Process and global accounts of higher education and research (including those provided by UNESCO, the Council of Europe, the OECD, and the World Bank) – has changed *substantially* since 1988, and the shift in vocabulary underlies the shift in the ways in which society accounts for the roles and tasks of educational institutions.

The Bologna Process is occurring on several interrelated planes: the first plane is that of the official plane of ministers of education/governments, conferences of rectors and university associations, and the accompanying changes in laws on higher education, laws on for-profit education, laws on (educational and other) non-profit associations, laws on research funds etc; the second is the official plane of particular higher education institutions i.e. that of senior university management; and finally there is the practical plane of particular institutions and their faculty.[28] In most transition countries, there is a gap between the good intent on the part of ministers of education and the reality of the functioning of higher education systems. There is a gap between the intentions expressed by officials and the capacity for action they – and the institutions themselves – can currently offer to the Bologna integration project (also the motivation for joining the Bologna Process often seems more *political* than *educational* in the region, as stressed by Tomusk 2002b).

Higher education in the region, generally and with a few exceptions, has been in a state of permanent crisis since the fall of Communism (for case studies of success stories, see Marga 1997, 2003;

[28] Discussions on the Bologna Process rarely go down to the level of institutions, particular universities and their faculty; as Ruth Keeling put it recently, they have been dominated by a "'Europe-scale' perspective" (Keeling 2004: 1). She distinguishes between two strands in the academic debate, with the focus of attention being either on whether the Bologna objectives are being achieved across Europe or on whether it is desirable to achieve these goals at all. There has been little attempt, she goes on to argue, "to study in depth, analytically and empirically …. the complexities of *how* the Bologna Process is actually being experienced and interpreted 'on the ground' in higher education settings" (Keeling 2004). The answer for a number of transition countries with which the present author is familiar is that, broadly speaking, the process quite often does not go down to the level of institutions and academics and remains at the level of ministries and possibly heads of institutions. In most transition countries, clearly what counts most at the moment is changing higher education legislation in accordance with the Bologna requirements, while the details (including institutions and their faculties) are left for the future. This somewhat contrasts with the Western European scene in which "the Process takes shape in its interpretation and application in 'real time', in everyday practices and discourse in the higher education field. At hundreds of sites throughout Europe, people are actively translating the Bologna policies into practice" (Keeling 2004).

Ten Years After 2000): from the paralysis of substantial research functions, the steady decrease in public funds, the mushrooming of both public and private diploma mills, corruption, through to the lowering of professional ethos and morale; with the combination of the above depending on the country (for Poland, see Kwiek 2003b, 2003g, 2004c). There has not been enough general reflection on the transformations to higher education systems in the region. Paradoxically enough, in the majority of the countries in question (and in the Balkans and Eastern Europe more so than in Central Europe) the situation of the universities – in areas other than academic freedom, institutional autonomy, and the international mobility of students and faculty – has severely decreased over the last decade. Even though it may be quite possible to go on with the Bologna Process in these countries in terms of legislation, it is much more difficult to follow through with its implementation at the level of the institutions.

The Bologna Process is based on a few underlying assumptions (not really formulated in a single place): both Europe and the world are entering a new era of knowledge-based and market-driven economies competing against each other; Europe as a region has to struggle with its two main competitors in higher education and research and development, the USA and Japan (plus Australasia); the knowledge society depends for its growth on the production, transmission, dissemination, and use of new knowledge; the underlying goal behind current transformations to educational systems as well as research and development systems, whether expressed directly (as in the documents relating to the European Research Area) or indirectly (and accompanied by the "social dimension", as in the Bologna documents), is to meet the target set out by the European Council in Lisbon (in 2000). The target is that by 2010 Europe must become "the most competitive and dynamic knowledge-based economy in the world, capable of sustainable economic growth with more and better jobs and greater social cohesion" (the creation of the European Higher Education Area must also be completed by 2010). Europe is at the crossroads; it is trying to combine higher competitiveness and social cohesion in an

increasingly globalized world and it is in the process of transition towards a "knowledge society".[29] Thus knowledge, and consequently the social and economic disparity between the *knowledge rich* and the *knowledge poor*, will become the key issue in the years to come.[30]

But the Bologna Process seems inward-looking: while globally, the impact of globalization on higher education policies is widely acknowledged[31], none of the official documents of the Bologna Process – from the Sorbonne, Bologna, Prague, and Berlin declarations and communications, nor any of the accompanying declarations from the academic world (signed by the Salamanca and Graz conventions of higher education institutions) – even once refers to the term "globalization". (Even though the *Trends III* report prepared for the Berlin summit in 2003 mentions "globalization" no more than five times in total, which is a reflection of its descriptive rather than analytical ambitions, it states overtly that ministers and higher education institutions should "ride the tiger of globalisation

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[29] As the *Third European Report on Science & Technology Indicators 2003* argues, "of course knowledge per se is not a new asset; it has always been a basis for human activity. However, *what is radically new is the pace of its creation, accumulation and diffusion* resulting in economies and society following a new knowledge-based paradigm. Working and living conditions are being redefined; markets and institutions are being redesigned under new rules and enhanced possibilities for the exchange of information. Moreover, knowledge is not only becoming the main source of wealth for people, businesses and nations, but also the main source of inequalities between them" (EC 2003c: 1, emphasis mine).

[30] This refers to an interesting – already referred to – distinction drawn recently by a European Commission communication on *Investing Efficiently in Education and Training*; as it argues, "with an increasing premium on skills, the polarisation between the *knowledge rich* and the *knowledge poor* puts strains on economic and social cohesion" (EC 2003a: 8).

[31] With an important reservation to be remembered here again, though: that the effects of globalization are mostly *indirect*, via the transformations of the state, as shown in Chapters 3, 4, and 5. As Roger Dale argued in "Specifying Globalization Effects on National Policy: a Focus on the Mechanisms", "absolutely central to arguments about the effect of globalization on public services like education is that *those effects are largely indirect*; that is to say, they are mediated through the effect of globalization on the discretion and direction of nation states" (Dale 1999: 2, emphasis mine).

rather than hope it will disappear" (Reichert and Tauch 2003: 57).[32] In general, though, the underlying assumptions are not developed in more detail in any of the Bologna Process documents or reports. This means that the overall interpretation of the huge social and economic changes occurring in Europe is either neglected, or taken for granted in some of its prevailing forms (e.g. the Lisbon agenda). Unquestionably, though, globalization is one of the main driving forces behind current transformations to the public sector, welfare state model (and educational policies worldwide); globalization is also one of the main reference points in the EU Lisbon strategy.[33]

Consequently, the Bologna Process seems relatively weak at an analytical level. It may be worrying that the main and supporting documents of a huge intellectual and institutional undertaking which aims at changing the way our universities function in both their teaching and research aspects do not attempt to present a wholesale analytical approach to current challenges and solutions based on perspectives wider than European ones.[34] Without the analytical part

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[32] As Dani Rodrik in *Has Globalization Gone Too Far*? emphasizes: "we need to be upfront about *the irreversibility* of the many changes that have occurred in the global economy. Advances in communications and transportation mean that large segments of national economies are much more exposed to international trade and capital flows than they have ever been, *regardless of what policymakers choose to do. There is only limited scope for government policy to make a difference.* In addition, a serious retreat into protectionism would hurt the many groups that benefit from trade and would result in the same kind of social conflicts that globalization itself generates" (Rodrik 1997: 9, emphases mine).

[33] The global dimension has to be constantly taken into account in any decision-making: as *The State in a Changing World* argues, "the state still defines the policies and rules for those within its jurisdiction, but *global events are increasingly affecting its choices.* People are now more mobile, more educated, and better informed about conditions elsewhere. And involvement in the global economy tightens constraints on arbitrary state actions, reduces the state's ability to tax capital, and brings much closer financial market scrutiny of monetary and fiscal policies" (World Bank 1997: 12, emphasis mine).

[34] As Erkki Berndtson in a paper on Bologna rightly remarks, "the goals of the Bologna Declaration (and of the Prague communiqué) have been presented as solutions to the problems which have never been outlined systematically. This may have been one of the reasons for the fast development of the process, but without a systematic analysis of the problems and challenges which the European Higher

of the task, we might not be sure that the solutions provided refer to the right problems.[35]

The ambivalence of the Bologna Process concerns the process of globalization itself: roughly, following Dirk Van Damme (2003), there may be at least two contrasting (and simplified) global views of Bologna. The first view may present it as merely an introduction to a much further-reaching integration of national educational systems in the future, resulting from competitive pressures from other parts of the world resulting in turn from global liberalization in the operations of higher education institutions worldwide (especially in two biggest "exporters" of educational services, North America and Australasia). The second, contrasting, view may present Bologna as a large-scale defensive mechanism to avoid the pitfalls of globalization as seen (and mostly disliked) globally today – and to stay together in Europe against the global odds. Thus the first view may imply a strong convergence between Bologna and globalisation processes on a regional scale, especially in the future, while the second may imply that the process is an attempt to make national educational systems stronger against the

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Education Area faces today, there is a danger that the cosmetic features of the reform will be strengthened" (Berndtson 2003: 10).

[35] Voldemar Tomusk recently presented a very harsh criticism of the Bologna Process (in his paper on "Three Bolognas and a Pizza Pie: notes on institutionalization of the European higher education system"); he reminds us that "hardly anybody involved in the Bologna Process does not consider her- or himself an intellectual, perhaps even of the highest calibre. *Still, it is hard to see these individuals experiencing any moral dilemma about what they are doing, although there seem to be more than enough reasons for them to be afraid for their reputation.* It suffices to mention the European Commission aggressively hijacking a sector without a mandate for doing so, academic activists writing political reports filled with contradictions, and knowledge workers contracted by the Commission producing knowledge for which they themselves have created a need and which they themselves consume in order to create more such knowledge". He continues his criticism with the statement that "it is unfortunate that one particular logic has gained near-complete dominance over the European higher education project, and those whose calling is normally to problematize such issues and expose them to public scrutiny have either found this particular topic irrelevant for them, perhaps for the reason that no funding has been made available for critical studies, or have assumed the role of messengers of a particular agency" (Tomusk 2004: 93, emphasis mine). Strong words indeed; hopefully, Tomusk is only partly right.

forces of globalization and to stay away from whatever is seen as its excesses in higher education, especially stay away as long as possible from the processes of privatization, commercialization, and commodification of higher education and research etc. Bologna is certainly ambivalent, and the two threads are very much interwoven in its documents. Both the "protectionist" threads at a European level (especially in its references to education as a "public good" and "public responsibility" which mostly means calls for more public funding from national states in the future) and the "expansionist" threads of attracting foreign students and researchers in a global competition for talent can be found. As Van Damme put it, "Europe is seeking its own way out between the Scylla of academic capitalism and the Charybdis of protectionism" (Van Damme 2003: 6).

6.5. Concerns about the Bologna Process: between the Old and New Challenges for Universities Today

Some concerns may be raised about certain "cosmetic" changes to higher education systems that may be introduced by Bologna; but other concerns could be raised about potentially misguided policy decisions which might be taken in some transition countries based on regionally-irrelevant analyses or regionally-mistaken recommendations. There may also be concerns about the various senses of "harmonization" concerning European higher education systems[36],

[36] Although the word "harmonization" does not appear in the Bologna Declaration itself (where only "convergence" is mentioned), it did appear in the Sorbonne Declaration in 1998 (*Joint Declaration on Harmonization of Architecture of the European Higher Education System*). The ongoing projects focused on core European learning outcomes and competencies, and the possibility of "European quality labels" obtained through some kind of European accreditation, can rightly raise concerns about the final destination of the Bologna Process in terms of the curricular contents. Even though, as Pavel Zgaga put it, "richness is the end, and 'common roads' are (only) the means" (Zgaga 2003: 253), concerns about the "Europeanization" of teaching contents do not seem exaggerated. Whenever Bologna skeptics are reading sentences like Eric Froment's (President of the EUA, European University Association) that Bologna signatory countries are "working together constantly on common topics, attempting to reduce the diversity of their national

which may potentially lead to the development of a "common framework of qualification" or some still unspecified core (European) curricula, as evidenced by such pilot projects as "Tuning Educational Structures in Europe" as well as the debates on pan-European accreditation schemes and quality assurance mechanisms etc.[37] The question is whether the problems facing most of the EU-15 countries and their higher education systems are the same as the problems facing most transition countries, including most new EU members. I believe an important failure of the Bologna Process in its current geographical, economic and social scope is its analytical (and consequently practical) neglect of some of the pressing issues present in the educational systems of transition countries today. The analytical flaw in the documents and reports is the lack of any description of the old challenges that transition countries still face (and which are mostly irrelevant to the old EU-15 countries), and consequently the lack of any clear recommendations on how to proceed in countries plagued by two different sets of challenges at the same time, old and new ones.

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higher education systems" or "we are managing the pre-existing great European diversity, reducing it at the level of structure" or "higher education in Europe must be unified at European level and differentiated with regard to the rest of the world" (Froment 2003: 29–31), they may be rightly concerned. See also initial *ad hoc* comments on Bologna by Marijk van der Wende in "The Bologna Declaration: Enhancing the Transparency and Competitiveness of European Higher Education" (2000).

[37] Let us think in this context of passing from the "readable and comparable degrees" of the Bologna Declaration to a Common European Qualifications Framework, as the following passage from *Trends III* testifies: "it will be essential that governments and HEIS [higher education institutions] use the next phase of the Bologna Process to elaborate qualifications frameworks based on external reference points (qualification descriptors, level descriptors, skills and learning outcomes), possibly in tune with a common European Qualifications Framework" (Reichert and Tauch 2003: 14). Let us refer also in this context to one of the conclusions of a recent UNESCO study: there is a "need to establish a new pan-European framework for quality assurance, accreditation, and recognition of qualifications" (UNESCO 2003: 28). The concern can thus certainly be the traditional *diversity* of European universities. As Zygmunt Bauman stressed well before the Bologna declaration was signed, "it is the good luck of the universities that despite all the efforts of the self-proclaimed saviours, know-betters and well-wishers to prove the contrary, they are not comparable, not measurable by the same yardstick and – most important of all – not speaking in unison" (Bauman 1997b: 25).

To put it in a nutshell: while the affluent Western European countries face new challenges brought about by the emergence of the knowledge-based economy; globalization pressures on higher education and research activities, the attempts to introduce life-long learning on a wide scale, the theory (rather than the practice) of welfare state reinvention and public sector downsizing etc; almost a dozen transition countries, signatory countries of the Bologna Process, to varying degrees, face old challenges as well. A recent report by the World Bank, *Constructing Knowledge Societies*: *New Challenges for Tertiary Education*, argues that developing and transition countries are confronted with a "dual task": "a key concern is whether developing and transition countries can adapt and shape their tertiary education systems to confront successfully this combination of old and new challenges" (World Bank 2002: 2).

The Bologna Process seems thus far to be focusing on new challenges and new problems (i.e. the problems of affluent Western European social democracies); the transition countries of the region, in contrast, are still embedded in the challenges and problems of the old type generated mostly over the last decade through the process of shifting from elite to mass higher education under severe resource constraints and in the context of huge economic and social transformations from (various forms of) communism to market economies (see Kwiek 2001a, 2001c). Even though the way Western Europe has dealt with the passage from elite to mass higher education is well documented, the global environment in which the process took place will not recur. It was a process which was taking place under different political, economic, and social constraints. Both higher education and research and development had different reference points at that time; the universities were still national treasures (most often lavishly) funded by nation-states in a period of consolidation for the expanded Keynesian welfare state model, national politics still mattered more than the economy, and national prestige often mattered more than particular decisions about resource allocations.[38]

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[38] To repeat the question Ramesh Mishra posed in *Globalization and Welfare State* on European (Continental) welfare and its future from an American perspective: "True, many European nations have inherited a large welfare state from the golden

But this time is over, as the chapters on the university and the nation-state and the welfare state show. It is a real challenge in some European transition countries today, having to undergo the passage from elite to mass higher education with steadily declining public funds almost every consecutive year whilst developing higher education systems towards the "Bologna goals". The *Trends III* report makes it clear that it is unrealistic to believe that the Bologna reforms are costless: public funds have to be available if the reforms are to succeed. Though for most of the countries of the region the funds will not be available. The chronic underfunding of higher education, widely documented by the statistical data, makes it very difficult to implement the Bologna recommendations in any other than a theoretical way. Underfunding makes it difficult to face old and new challenges at the same time.[39] There are no specific recommendations or prescriptions for transition countries on how to proceed based on the experiences that the EU-15 or OECD countries had had during the same process of passing from elite to expanded models of higher education two to three decades ago.

This is the crucial point in educational policy for the countries in transition: how to combine the educational reforms presented by two types of challenges, old and new, traditional and related to the knowledge economy and globalization? How to weigh their relevance today – should the transition countries turn to the past or current experiences of other advanced and affluent European countries in thinking about their higher education systems? How to progress in basic reforms related to much higher demand and the consequent massification of higher education if the material basis for these reforms, the welfare state, is either already dismantled or in the

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age and, for the moment, seem to be able to hold on to them. But can they hold out against global pressures?" (Mishra 1999: 70).

[39] As argued in the Introduction, higher education has to compete with other forms of state spending; other social needs are growing rapidly and higher education has not been competing successfully with other programs in recent decades in most CEE countries. The chances of increasing public funding for it are low. Seeing higher education policies in isolation from larger welfare state policies and transformations of the public sector would be taking a short-sighted perspective.

process of decomposition, or even never had had a chance to exist?[40] As Voldemar Tomusk captures the point,

> [W]ith the decline of the welfare state and the massification of higher education in the West, the Eastern vision on the resource abundant University has become a mere dream. The simple truth about current higher education reform is that the only thing we know for sure is that we want our Universities to have considerably more resources; … Looking at the resources available in particular countries one can easily conclude that this is absolutely impossible. It is an empirical fact different from many unrealistic growth programs developed to attract foreign matching funds (Tomusk 2000: 55).

Also, spending on higher education is generally considerably lower in the region, as are current enrollment rates in higher education, except for a few countries (World Bank 2000a: 122).[41]

We are talking about different societies having vastly different economies, with mostly different standards of living and substantially different higher education systems still facing large structural reforms, especially if we go beyond the EU-15 and new EU members. If the knowledge economy, the point of reference for both the Bologna Process and the construction of the European Research Area, is emerging from two defining forces – the "rise in knowledge intensity of economic activities" and the "increasing globalisation of economic

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[40] One of the major differences between Western democracies and the European transition countries, as argued in Chapter 4, is that the point of departure of current welfare transformations is different. Paul Pierson rightly notes that "in most of the affluent democracies, the politics of social policy centers on the renegotiation and restructuring of the terms of the post-war social contract rather than its dismantling" (Pierson 2001a: 14). In most CEE countries, though, in the most general terms, there is no social contract to renegotiate and welfare provisions need to be defined from the very beginning. There is an important difference between the potential dismantling of the welfare state (as in Western Europe) and the actual dismantling of the remnants of bureaucratic welfare in CEE countries.

[41] With a few exceptions (notably France and Germany), participation in higher education grew in almost all European countries in the second half of the 1990s – but the most spectacular increase took place in several CEE countries (like the Czech Republic, Hungary, and Poland). However, a recent UNESCO study argues, "there are already indications that foremost, owing to demographic trends, further increases of student enrollment are less likely" (UNESCO 2003: 4).

affairs" (Houghton and Sheehan 2000: 2) – the region is far behind indeed, and the chances of getting closer to the old EU countries are very low in the medium term (for more data, see OECD 1999). The significance of this fact does not seem to be acknowledged in the Bologna Process documents.

My concern about Bologna is that it is not trying to raise to the conceptual level which would be required to assist higher education systems in the region integrate with Western European systems within the emergent European higher education area. My perspective is that Bologna might provide a good opportunity – possibly a useful policy agenda – to assist in reforming those national higher education systems in the region which need reforms most; it might provide clear recommendations on what to do and how, presenting almost a blueprint for reforms, a comprehensive package of reforms, even though their scope would be quite different in different countries. In this respect, Bologna does not meet the expectations of the academic community in the region; it is still unclear in its visions, and consequently in its recommendations for action in respect of the region. At the same time, there is no way to use it as a lever for external, additional funding for educational reforms. Although the success of the process is conditional on the public funding of the project, it is obvious to many that no public funding will follow ("the Bologna reforms cannot be realised without additional funding", Reichert and Tauch 2003: 29). So the question is what should be done under the circumstances.

Today, there are generally crucial differences in thinking about reforms in Western Europe and in transition countries. Reforms to be undertaken in Western Europe are much more functional (fine-tuning, slight changes etc); reforms to be undertaken in some countries of Central and Eastern Europe and of the Balkans, by contrast, should be much more substantial (or structural) (see Radó 2001). There is little common ground between the two sets of reforms except for their technical details and the Bologna Process in its official documents so far has not drawn a clear distinction between functional and structural reforms, or defined the respective regions for their future implementation. The differences between the condition of

higher education systems in these parts of Europe are very substantial indeed; and so should probably be the analyses, descriptions, and policy recommendations. The problems and challenges, and consequently the depth of reforms required, are different in the transition countries; therefore any fine-tuning and small adjustments undertaken within the Bologna Process, perfectly suitable for many Western institutions, without any accompanying structural transformations to East and Central European institutions may lead to merely cosmetic changes when what is needed is a transformation of the underlying structures of the higher education systems, at least in some countries of the region.

Concerns about Bologna can be both general and specific and they can refer to the process as a whole as well as to its potential impact in the region. They are based on theoretical assumptions (such as e.g. the traditional "idea of the university" and the universal role of the university, see Sadlak 2000) on the one hand, and practical knowledge of the functioning of higher education in many countries of the region on the other. Some concerns derive from traditional notions of the sovereignty of nation-states and the sovereignty of their educational policies (see Enders 2002a); some from irreconcilable differences between educational systems deriving from different cultures, languages, traditions and inheritance from the past; but other concerns derive from a more technical and pragmatic understanding of the picture of global changes in higher education whose role is clearly, and wrongly, downplayed in Bologna. Still other concerns derive directly from an awareness of the budgetary situation in the public sector in many countries of the region, and trends that have emerged there over the last decade or so (often towards welfare state retrenchment rather than towards a traditional "European social model", still referred to in the EU Lisbon strategy of 2000).[42]

[42] The impact of globalization on national higher education systems is indirect and diverse. Dale argues that "the mechanism through which globalization affects national policy are crucially important in defining the nature of that effect. Those mechanisms are not merely neutral conduits, but modify the nature of the effect they convey. Thus, at one level the argument is that the 'delivery mechanisms' themselves have an independent influence on the message, on how globalization affects national

Let me now refer again to Martin Carnoy who draws in his *Globalization and Educational Reform*: *What Planners Need to Know* a very useful distinction between the three factors that in practice are crucial to any approach governments take in educational reform, and hence in any educational responses to globalization:

> Their *objective* financial situation, their *interpretation* of that situation, and their *ideological* position regarding the role of public sector in education. These three elements are expressed through the way that countries "structurally adjust" their economies to the new globalized environment (Carnoy 1999: 47).[43]

Even though, as we have emphasized here, the dimension of globalization's challenges to higher education is severely underestimated in the Bologna documents, globalization is one of the underlying factors behind the wider Lisbon strategy of the European Union: globalization's role is crucial to understanding the whole package of reforms, including those in the education and R&D sectors within the processes behind the emergence of the European research area. It is interesting to refer the above distinction to transition countries involved in the Bologna Process and to make comparisons with the EU-15. All three of Carnoy's parameters are entirely different in transition countries compared to the EU-15: the objectively dramatic financial situation is easily supported by statistical data and it may be taken for granted in the majority of transition countries; consequently, the interpretations of the differences in the objective financial situation between the EU-15 and most transition economies

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policy, and that this is a significant source of diversity within and across the effects of globalization. It must, of course, also be noted … that *the nature and impact of globalization effects varies enormously across different countries, according to their position in the world and regional economies*" (Dale 1999: 2, emphasis mine). Also among the signatory countries of the Bologna Process, the economic positions they assume in Europe and on a global basis are incommensurable.

[43] Hay and Rosamond argue in a similar vein in their paper about globalization and Europeanization as discursive constructs: "it is important, at the outset, that we differentiate between the internationalization of a discourse of globalization as an accurate representation of the relevant 'material' constraints and the more intentional, reflexive and strategic *choice* of such a discourse as a convenient justification for policies pursued for altogether different reasons" (Hay and Rosamond 2002: 150).

can be presented in even more dramatic terms; finally, in a number of transition countries – escaping the model of command-driven economies – the *ideological* position regarding the role of the state in the public sector differs considerably from the position taken, with a few national exceptions, in Europe: the ideal of the state about to emerge once the chaos of the transition period is over is much more the (American-style) model of cost-effectiveness and self-restraint in social issues than the "European social model" of the EU-15 (which, by the way, is also testified to by subsequent EU progress reports about the former accession countries in Central Europe[44]). There are several determinants of this state of affairs but certainly a general dissatisfaction with the inefficiency and incompetence of state bureaucracies is one of them, another being the increased role of market mechanisms in public sector reforms already undertaken (ranging from healthcare to pension systems to decentralization of primary and secondary education) and the increasing role of the private sector in the economy in general. Again, it will be interesting to see how the Bologna Process documents are going to conceptualize these crucial differences in viewing the role of the public sector in general and interpreting the current financial situation of transition states among its signatory countries.

Using another set of Carnoy's distinctions – the difference between "competitiveness-driven reforms", "finance-driven reforms", and "equity-driven reforms" in higher education (Carnoy 1999: 37; see also Carnoy 1995) – it is possible to argue that not only are two speeds of reforms necessary within the Bologna Process (as some required reforms are merely functional, while others are structural), but also that the current drivers of reforms are different: in the EU-15 it is mostly competitiveness (decentralization, improved standards and management of educational resources, improved staff recruitment

[44] As Zsuzsa Ferge shows, "the EU suggestions for some reforms of social security may steer these countries in a more American than European direction" (Ferge 2001b: 1). She finds in the Accession Reports from the Community to the ten applicant countries a "hidden policy agenda" which suggests "measures contrary to the European model, such as the privatization of pensions and health, or the cutback of already low social expenditures" (Ferge 2001b: 1).

and training), but in at least some transition countries, by contrast, it is mostly the wish to change the "business climate", to make use of structural adjustments in an attempt to reduce public spending on education (which results from the objective situation, its interpretation, and the ideological stance governments take).[45] These complications in the picture of "European" higher education systems are not evident in the Bologna documents, but I believe they would be useful in mapping the current, diverse, and often incompatible state of affairs in the EU-15 and in most transition countries.

The new vocabulary in which both higher education and research is cast in both Bologna and the European Research Area initiatives may be worrying; but at the same time, especially in connection with the latter, the vocabulary used, and the concepts employed, are standard in current global discussions about higher education and research and development, from UNESCO to the OECD to the Council of Europe to the World Bank. It is hard to use any other vocabulary today *and* be engaged in meaningful contemporary debates on the future of higher education and research. Concerns should be raised about the apparently economic (and sometimes even economistic) view of the role of higher education in the discussions about the European Research Area though. Although the ideals behind the Bologna Process are cast in a slightly different vocabulary, ultimately, the message is similar: we need tangible and measurable results from our educational institutions; universities will change and the kind of research they do, as well as the teaching they have to offer, will have to change too; the responsibility of universities is no longer the search for truth in research or the constitution of moral and civic students/citizens (*Bildung* of the traditional German model of the university) through

[45] Martin Carnoy rightly argues that "the *effects of globalization on education* depend greatly on how countries adjust the structure of their economies to the new globalized environment and *how they interpret the role of the public sector* in reforming education to meet the needs of that new environment. In most developing countries, educational response to globalization is dominated by finance-driven reforms" (Carnoy 1999: 61, emphasis mine). The same is the case in most European postcommunist transition countries.

teaching; it is much more, if not exclusively, the competitiveness of the European economy and European higher education systems vis-à-vis other economies and higher education systems, the European mobility of students and professionals, and the employability of graduates.[46] The responsibility of universities is towards the economic growth of Europe as a whole, supporting a knowledge-based economy, contributing to new skills for the new emerging workforce of the emerging competitive, global age (the three goals of the Bologna Process are enhancing the employability of graduates, the promotion of mobility, and the attractiveness of Europe to the rest of the world, Reichert and Tauch 2003: 36–60).

Commenting briefly on "ambivalent Bologna", *Trends III* notes two potentially conflicting agendas: the "competitiveness agenda" and the "social agenda",[47] and rightly concludes, without much

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[46] The difference between *employment* and *employability* is crucial: the latter term transfers the responsibility for a graduate's future away from the *state* and towards the *individual* concerned. Especially in the context of "lifelong learning", one's "employability" clearly depends on one's "knowledge 'portfolio'" (Marin Carnoy). In the new situation in which "job" becomes "permanently temporary", "workers are gradually being defined socially less by the particular long-term job they hold than by the knowledge they have acquired by studying and working. This knowledge 'portfolio' allows them to move across firms and even across types of work, as jobs get redefined" (Carnoy 1999: 33). The responsibility becomes somehow *privatized* and *individualized*: given that the opportunities for studying, training and retraining are there, it is simply the individual's "fault" not to be "knowledge rich" (European Commission), not to have the right knowledge "portfolio". See Neave's (2001a) criticism of the concept of "employability" – but not only in the context of the Bologna Process but a wider one, introduced by *The World Declaration on Higher Education* (1998), which saw "employability" as the connector between what societies expect from higher education institutions and what these institutions really do, see UNESCO (2003), section on "higher education and its environment".

[47] The concepts of the "social dimension" of the Bologna Process and the "public good" approach to higher education appeared for the first time in the Prague Communiqué (2001). The Communiqué reads: "Ministers asserted that building the European Higher Education Area is a condition for enhancing the attractiveness and competitiveness of higher education institutions in Europe. They supported the idea that higher education should be considered a public good and is and will remain a public responsibility" (Prague Communiqué 2001: 7). Per Nyborg recently

further discussion: "it would be naïve to assume that the EHEA [European Higher Education Area] is being built only on the latter agenda" (Reichert and Tauch 2003: 149). In the case of the region, it is the cooperation and solidarity motives as well as the social agenda that count much more than the competitiveness motive today; it would be naïve to assume that the institutions of the region are competing with the US and Japan. While Bologna may be quite successful in promoting its agenda in Western Europe (especially combined with funding already available and the additional incentives already included in the instruments of the European Research Area), it might fail in the transition countries, for a variety of reasons, but especially because of the combination of old and new challenges faced simultaneously by their higher education systems and of the chronic underfunding of their public higher education institutions. While Western European institutions currently seem to be much more afraid of losing their autonomy, freedom to teach and do research in the way their national priorities and funding allocations still lavishly allow them to, for educational institutions in several transition countries the Bologna Process could be a coherent reform agenda, should it be further developed to include this purpose.[48]

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drew a useful distinction between the notion of *public good* and that of *public responsibility* with respect to higher education. His argument is that in the context of the Bologna Process it may be more relevant to explore the implications of the public responsibility for higher education than to focus solely on the concept of the public good, because higher education may also be interpreted as a private good (bringing its graduates higher incomes, Nyborg 2003: 355–356). See also Kladis 2003.

[48] It would be interesting to compare the impact of the Bologna Process in the EU-15 and in transition countries. The following observation from a recent UNESCO-CEPES report on *Trends and Developments in Higher Education in Europe* (2003) appears much more appropriate to the latter countries: "*It may be that not everything that is happening in European higher education today or in the future is a direct consequence of the Bologna Process*. Nevertheless, this process has gained such momentum that it permeates most discussions on higher education topics, if only by creating, for the first time, a genuine European platform for exchange and the conscious notion of 'a European Higher Education Area' as a goal with distinctive features and a specific target date to be met – 2010" (UNESCO 2003: 24, emphasis mine).

6.6. The University for the Knowledge Economy: the Emergent EU Discourse on the New Tasks of the Institution

Let s focus now on the emergent role(s) of the institution of the university in the new EU discourse of the "Europe of Knowledge". The institution of the university is playing a significant role in the processes surrounding the emergence of the common European higher education and common European research spaces, but in none of these two processes, *is the university seen in a traditional way*. The institution of the university is evolving together with radical transformations of the social setting in which it functions (the setting of "globalization", the "knowledge economy" and the "knowledge society"). The new world that is emerging assumes different names in different formulations and the social, cultural, and economic processes in question are debated in multiple vocabularies of the social sciences; though recently, it has increasingly been through the lens of globalization. As Colin Hay and Ben Rosamond argue in "Globalization, European Integration and the Discursive Construction of Economic Imperatives" regarding the pervasiveness – but also the usefulness – of the concept: "globalization has become a key referent of contemporary political discourse and, increasingly, *a lens through which policy-makers view the context in which they find themselves*" and "globalization has come to provide *a cognitive filter, frame or conceptual lens* or paradigm through which social, political and economic developments might be *ordered and rendered intelligible*" (Hay and Rosamond: 2002: 148, 151, emphases mine). It is exactly its ability to order and render our world more intelligible that the concept of globalization and the discourse of globalization came in handy to policy-makers. This is the overriding notion in most major European discussions about the role(s) of higher education and research and development, the notion behind the Lisbon strategy, especially when combined with such accompanying new notions as the "knowledge economy" and the "knowledge society" – and in respect of the traditional contexts of economic growth, national and European competitiveness and fighting unemployment, presented probably for the first time by the Jacques Delors White Paper more than a decade

ago (1993). In this emergent new global order,[49] universities are striving for a new place, as they are increasingly unable and/or unwilling to maintain their traditional roles and tasks.[50] The official discourses on the common European space in higher education and in research and innovation increasingly acknowledge that the future role of universities will have to be radically different from the traditional modern role of the university in society.[51] Consequently, the university both in Europe and globally seems to be entering a new epoch.[52]

The emergence of common European higher education and research spaces will have far-reaching consequences for both the enlarged Europe and for postcommunist transition countries in general.[53] The ideas of both European spaces are evolving and are still

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[49] Even the Wim Kok report on the Lisbon strategy uses the term *ancient régime* (although in its English version of the "old regime") for the description of the current European social model (EC 2004a: 16).

[50] See the powerful trend towards "entrepreneurial universities" in Europe, associated for the first time with particular institutions by Burton Clark in his ground-breaking *Creating Entrepreneurial Universities*. See also the findings of the new 2004-2007 EU project "European Universities for Entrepreneurship – Their Role in the Europe of Knowledge" (EUEREK coordinated by the Institute of Education of the University of London, in which the present author is a partner).

[51] This may result in the relative marginalization of the social sciences in EU-funded research. The only major social science priority in the 6th Framework Programme is "citizens and governance in knowledge-based society" with a budget of 225 million Euro, out of 16 billion Euro. From a global perspective, "increasing levels of privatisation and commodification of tertiary education have marginalised non-commercial areas of inquiry and research, particularly in the humanities and social sciences" (Henry et al. 2001: 169).

[52] To recall here Bill Readings' saddening conclusions from *The University in Ruins*, "the recognition that *the University as we know it is a historically specific institution*, is one with which academics have a hard time coming to terms. History grants no essential or eternal role to the modern research University, and it is necessary to contemplate the horizon of the disappearance of that University. Not to embrace the prospect of its vanishing, but to take seriously the possibility that the University, as presently constituted, holds no lien on the future" (Readings 1996: 128–29, emphasis mine).

[53] As Martin Lawn and Bob Lingard argue in "Constructing a European Policy Space in Educational Governance: the Role of Transnational Policy Actors", this space is "being shaped by constant interaction between small groups of linked professionals, managers and experts. *This space does not have a constitutional position, a legislative legality,*

not clearly defined. One thing is certain though: we are confronting a major redesign of what research and teaching in the European public sector are supposed to be, of how public higher education institutions, including universities, are supposed to function and be financed (from EU funds), and what roles faculties are increasingly being pressed to assume in Europe's converging higher education systems. At the moment, the European Higher Education Area is much more of a desired ideal to be achieved within the ongoing Bologna Process, with very limited funding available for its implementation in particular countries; the ideal of the European Research Area, by contrast, has already determined the shape of the 6th Framework Programme of Research – the biggest source of EU research funds, totaling 17.5 billion EUR for 2002–2006 (compared with the total of 175 billion EUR invested in research and development in 2001 in the EU-15 though, EC 2003d: 19) – and the way in which research activities in Europe are currently funded from EU sources. Thus while the effects of the ideal of the European Higher Education Area still remain largely at the level of governmental good will about the direction of changes to particular national higher education systems in the years to come, the effects of the ideal of the European Research Area are already visible on the practical level of where clusters of research funds are channeled and what new research-funding instruments are available.[54] The European Research Area is at the same time an important operational component of a comprehensive Lisbon agenda which aims at redefining both the European economy, as well as its welfare and education systems.

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a fixed place of work or a regulated civic or business mission. Yet it is being formed between state and EU offices, between agencies and subcontractors, between academics and policy managers, between experts and officials, and between voluntary and public sector workers. It is a growing culture, which exists in the interstices of formal operations, in the immaterial world. It is shaped by the opportunities and fears of globalisation" (Lawn and Lingard 2002: 292, emphasis mine). Or as Ruth Keeling put it about the Bologna Process, its official discourse is not a directive "from above" but "an often confusing set of messages from transient policy communities assembled momentarily at Bologna, Graz, Berlin, Prague, Salamanca, Göteborg and Brussels" (Keeling 2004: 12).

[54] As Ronald J. Pohoryles argues, though, "the cornerstones of a European Research Area with a commitment to excellence already exists" (Pohoryles 2002a: 395).

Over the last couple of years, the vocabularies used in the processes for the integration of higher education systems and that of the integration of research and development in Europe have become increasingly similar; with the visions for the future of our public universities – at a European level – also becoming more convergent than ever before; however, a tacit agreement on the different speeds at which different parts of Europe will have to change their educational and research and development landscapes is becoming increasingly clear (with the major dividing line being between the EU-15 and the transition countries, in general).[55]

6.7. Towards the European Research Area

It is important to remember here that the first communiqué about the European Research Area published by the European Commission in 2000 (*Towards a European Research Area*) hardly ever mentions *universities* (the term is actually used approximately three times in connection with the situation of research in North America). But also

[55] Educational reforms in the European postcommunist transition countries have been embedded for well over a decade in wider social processes. These are, in general, the move away from communism and towards open, free and democratic societies; the move away from command economies towards market-driven ones; and the processes of a gradual adaptation to both global and European transformations. In different countries the above dimensions have played a differing role; in some the political dimension was more important than the economic; in others it is the long-lasting economic crises that plays a crucial role (Radó 2001: 13–16). In the new EU member countries, it has been the adjustment to European standards that has been the most important in recent years. In the most general terms, Central European countries have been doing best in reforming their educational systems: in the 1990s, the structures inherited from communism were changed, new laws were passed, enrollments were continuously increasing, and universities radically changed their educational curricula. Some countries witnessed the emergence of a booming private sector so that at the beginning of the 2000s enrollments in this sector went up by as much as 30 percent in some of them. Higher education became an affordable educational product there (to use a marketing term which has become quite common in some of these countries) of relatively good quality although available mainly at an undergraduate level. Education at the postgraduate and Ph.D. levels is mostly available only from traditional elite public institutions (i.e. universities).

higher education is not mentioned at all in the document. On reading the document, it is clear that neither European universities nor European higher education in general have been significantly taken into account from the outset when thinking about a common research space in Europe. What figures prominently instead are dynamic private investments in research, intellectual property rights and effective tools to protect them, the creation of companies and risk capital investment houses, the research needed for political decision-making, and more abundant and more mobile human resources or "a dynamic European landscape, open and attractive to researchers and investment" (EC 2000a: 18). It is symptomatic of the initial period for the development of a European Research Area that while describing the situation of research in Europe, its traditional location at universities is not commented on at all. Under closer scrutiny, this is understandable though: the most important sector in which research and development activities are performed is the private sector; however, the EU-15 is lagging behind both the US and Japan in relation to business expenditure on research and development as a share of total domestic research and development expenditure.[56]

The opening paragraph of the communication *Towards a European Research Area* from the European Commission states that

> [E]ven more so than the century that has just finished, the 21st century we are now entering will be the century of science and technology. More than ever, investing in research and technological development offers the most promise

[56] The BERD indicator (business expenditure on research and development) in Europe is still 66%, with Japan currently achieving 74% and the US achieving 73%. In other words, the business sector finances 66% of all research in the EU-15. But the question is not only who finances research – but also in which sector the researchers are located. In the EU-15, on average, 50% of researchers are employed in business enterprises while only 34% are employed in higher education. In the US, by comparison, the difference between the two sectors is even bigger: 80% of researchers work in the private sector while only 15% are employed in higher education (in both cases, the remaining share of researchers is located in the government sector). In general, the higher education sector is the most important employer of researchers in only a few European countries, notably in Spain, Portugal, Hungary, Poland, Slovakia and Turkey (for more comparative data, see the section on "Investment in the Knowledge-Based Economy" of *Key Figures 2003–2004*, EC 2003d: 18–49).

> for the future. *In Europe, however, the situation concerning research is worrying.* Without concerted action to rectify this the current trend could lead to a loss of growth and competitiveness in an increasingly global economy. The leeway to be made up on the other technological powers in the world will grow still further. And Europe might not successfully achieve the transition to a knowledge-based economy. Why such a negative picture? (EC 2000a: 4, emphasis mine).

So the problem crudely stated is that the situation concerning research is "worrying". What are the main reasons for this, according to the communiqué? The principal reference framework for research activities in Europe is still "national" and the static structure of "15+1" (Member States and the Union) leads to the "fragmentation, isolation and compartmentalisation of national research efforts and systems" (EC 2000a: 7; see also Agalianos 2003: 184ff). There is no "European" policy on research, and national research policies and Union policy overlap without forming a coherent whole. What is needed is a "genuinely European research agenda" that will go beyond filling the gaps of national research programmes to include concerns which are of a "Europewide relevance" (Agalianos 2003: 186). What is therefore needed is a "real European" research policy, a "more dynamic configuration" of research and development (EC 2000a: 7).[57] As explained in 2003 in a communication on *The Role of Universities in the Europe of Knowledge*:

> [T]he nature and scale of the challenges linked to the future of the universities mean that these issues have to be addressed at European [rather than national – MK] level (EC 2003b: 10).

It should come as no surprise that the initial reaction by the Confederation of EU Rectors' Conference (of May 2000) to the first communiqué about the European Research Area was more than reserved:

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[57] I am in full agreement with Dale and Robertson when they argue in "Changing Geographies of Power in Education; the Politics of Rescaling and its Contradictions" that "we should approach what is happening at the level of national education systems as neither incidental 'effects on' them, nor as some form of 'collateral damage', but as distinct emergent properties of the new functional, institutional and scalar divisions of labour" (Robertson and Dale 2003: 14).

> The Confederation finds it a source of concern that the central role of universities in research and training is not included in considerations concerning a European research area. Public research efforts which take place in universities are not recognized in the Communication. Not once are universities mentioned as places of research; not once are universities recognized as the institutions where the researchers of the future are being educated and trained; not once are universities represented as centres of national, regional or local acquisition and transfer of knowledge, nor is this function promoted (EU Rectors' Conference 2000: 1).

The Confederation criticized the limited view of what constitutes "research" in the European Commission's account – a view that consequently led to the downplaying of the role of universities in research activities as presented in the initial communication. To put it in a nutshell, research was limited to mean technological development only. European rectors stressed the fact that universities are places where most public research takes place and by far the most basic research.[58] Leaving out universities in discussions means "cutting out a very large part of the innovative and creative facets of research, as it means leaving out almost all basic research; and it means ignoring the education and training of future researchers" (EU Rectors' Conference 2000: 2). As evidenced by further documents, especially following the communiqué on the role of universities in the "Europe of Knowledge" in 2003, the reactions of the academic community, including the rectors of European universities, to the initiative of working towards a common European research space were much more favorable in subsequent years.

Documents from the European Commission devoted to the European Research Area rarely refer to the Bologna Process but if the

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[58] The share of basic research within total research and development expenditure shows considerable variation between the USA, Japan, the EU-15 and new EU member states. The highest share of basic research is in the Czech Republic (40%), Poland (38%) and Hungary (29%), with the range for the major EU-15 countries being 22–28%, while in the USA the share is 20%, and in Japan it is very low, at 12%. The explanation for the situation in new EU member states is that the private research and development sector is not well developed and the whole R&D system is dominated by public universities and government laboratories (see EC 2003d: 25).

they do, they do so approvingly.[59] At the same time, while documents of the Bologna Process do refer to the European research area, the EU documents relating to the "Lisbon agenda" in general clearly refer to the Bologna Process.[60] Finally, the 2003 Berlin communiqué from the ministers of education involved in the Bologna Process emphatically calls the European higher education area and the European research area the "two pillars of the knowledge based society", mentioning "synergies" between them and sending a clear message to institutions of higher education: "to increase the role and relevance of research to technological, social and cultural evolution and to the needs of society" (Berlin Communiqué 2003: 7). Comparing the Berlin communiqué of the Bologna Process (2003) to the most recent EU documents about the European research area, apart from the necessary and unavoidable lip-service on both sides, a general convergence of views can easily be shown. A divergence in views is growing in respect of one issue in particular though: while the European Commission (following the Lisbon agenda) uses an increasingly economic perspective[61], the Bologna Process in Berlin again confirmed the role of the "social dimension": consequently, as the Berlin communiqué states it, the need to increase competitiveness

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[59] To give an example, as European higher education institutions are very diversified, "the structural reforms inspired by the Bologna Process constitute an effort to organize that diversity *within a more coherent and compatible European framework*, which is a condition for the readability, and hence the competitiveness, of European universities both within Europe itself and in the whole world" (EC 2003b: 5, emphasis mine).

[60] To give an example, *Presidency Conclusions. Barcelona European Council*: "The European Council calls for further action in this field: to introduce instruments to ensure the transparency of diplomas and qualifications (ECTS, diploma and certificate supplements, European CV) and closer cooperation with regard to university degrees in the context of the Sorbonne–Bologna–Prague process prior to the Berlin meeting in 2003" (Barcelona European Council 2002: art. 44).

[61] As Martin Lawn put it recently in "Borderless Education: Imagining a European Education Space in a Time of Brands and Networks", "the market is the dominant European discourse … Education has moved from the position of a sensitive area for cooperation … into a crucial part of the new knowledge economy" (Lawn 2001: 174).

> must be balanced with the objective of improving the social characteristics of the European Higher Education Area, aiming at strengthening social cohesion and reducing social and gender inequalities both at national and at European level. In that context, Ministers reaffirm their position that *higher education is a public good and a public responsibility* (Berlin Communiqué 2003: 1, emphasis mine; see also Kladis 2003).

Documents of the European Commission rarely refer to classical models of the university; if they do, they do not label them explicitly as outmoded but rather indicate trends undermining their significance.[62] The communication on the role of universities, like other Commission documents on the future of higher education and research, takes a much more economic than cultural or social perspective towards universities (which in turn seems closer to the Bologna Process documents). Both the tone and the perspective of the documents relating to the higher education area on the one hand and to the common research area on the other differ here considerably.

6.8. Adapting and Adjusting to Profound Changes: Current Debates

Another issue raised by the European Commission is the following: are the transformations facing European universities radical – and if so, why? As a communication on *Investing Efficiently in Education and Training: an Imperative for Europe* argues, the challenge in education and training is likely to be even bigger than envisaged in Lisbon in 2000. The challenge is summarized there in the following way:

> Providing an engine for the new knowledge-based European economy and society; overcoming accumulated delays and deficits in relation to key

[62] On the Humboldt tradition, the communiqué about the role of universities states the following: "European universities have for long modeled themselves along the lines of some major models, particularly the ideal model of university envisaged nearly two centuries ago by Wilhelm von Humboldt in his reform of the German university, which sets research at the heart of university activity and indeed makes it the basis of teaching. Today the trend is away from these models, and toward greater differentiation" (EC 2003b: 5–6).

> competitors; accommodating a severe demographic constraint; and overcoming high regional issues that will be exacerbated by enlargement during the vital transition period. … *Simply maintaining the status quo or changing slowly would clearly be hugely inadequate in the face of such a massive challenge* (EC 2003a: 11, emphasis mine).

Consequently, the European Union needs "a healthy and flourishing university world"; it needs "excellence" in its universities. At present, though, just as the situation of research is "worrying", the situation of universities is bad because they are not "globally competitive … even though they produce high quality scientific publications" (EC 2003b: 2). European universities generally have less to offer than their main competitors, the communication goes on to argue. Following the criticism of the first communications about the common European research space regarding the mission of universities (as expressed in the declaration of EU Rectors mentioned briefly above), this time the European Commission wanted to be as careful as possible about the role of universities, stating, *inter alia*, that universities – although not in general but only "in many respects" – still "hold the key to the knowledge economy and society" (EC 2003b: 5); universities are also "at the heart of the Europe of Knowledge" (EC 2003b: 4). At the same time the stakes are very high and universities in the form in which they are functioning now are not acceptable in the Commission's view. Its largely economic perspective is quite clear here and the idea is conveyed in many passages of the communication in fairly strong formulations.

Consequently, universities face an imperative need to "adapt and adjust" to a series of profound changes (EC 2003b: 6). They must rise to a number of challenges. They can only release their potential by undergoing "the radical changes needed to make the European system a genuine world reference" (EC 2003b: 11). They have to increase and diversify their income in the face of the worsening underfunding. The great golden age of universities' Ivory Tower ideal (not mentioned in the communication by name, though) is over:

> [A]fter remaining *a comparatively isolated universe* for a long period, both in relation to society and to the rest of the world, with funding guaranteed and a status protected by respect for their autonomy, European universities have gone through the second half of the 20th century *without really calling into*

question the role or the nature of what they should be contributing to society (EC 2003b: 22, emphasis mine).

But it is clearly over now, the time for accountability has come, and none of us in academia should be surprised. Thus the fundamental question about European universities today is the following: "Can the European universities, *as they are and are organised now*, hope in the future to retain their place, in society and in the world?" (EC 2003b: 22, emphasis in original).

It is a purely rhetorical question in the context of the whole communication: the universities in Europe – as they are and as they are organized today – will *not* be able to retain their place.[63] Restructuring is necessary, and a much wider idea of European social, economic and political integration applied to the higher education sector, expressed in the ideals of a common European higher education area, comes in handy. Let us recall the goal of the common research area in another formulation (from *Strategy for a Real Research Policy in Europe*) to see how far away it is from traditional views on the social role of the university: the university's goal is the creation of an area for research where scientific resources are used "to create jobs and increase Europe's competitiveness" (EC 2000c: 1).

Universities today are increasingly responsible to their stakeholders; university training does not only affect those who benefit directly from it, the inefficient use of resources by public universities affects society at large. Thus the objective, the European Commission goes on to argue, is to "maximise the social return of the investment" or "to optimise the social return on the investment represented by the studies it [society] pays for" (EC 2003b: 14).

The European Commission in discussing the future of higher education (except for the 2003 communiqué on *The Role of Universities in the Europe of Knowledge*) prefers a much wider reference to "education and training". In *Investing Efficiently in Education and Training*: *an Imperative for Europe* (2003), the role of higher education is

[63] As echoed by Peter C. Magrath: "today's university is not good enough for our new globalized, world. The leading universities of tomorrow will be linked transnationally and in diverse partnerships with businesses, governments, and other providers of education" (Magrath 2000: 258).

relatively simple, and no different from that of education and training in general; as an introductory sentence puts it: "education and training are crucial to achieving the strategic goal set for the Member States at the Lisbon European Council to make the European Union the most competitive and dynamic knowledge-based economy (and society) in the world".[64] No mention of "more and better jobs and greater social cohesion" is made this time (EC 2003a: 4) which clearly shows that the second part of the Lisbon strategic goal is somehow inferior to the first. Consequently, it comes as no surprise that what provides the perspective for looking at higher education is the "relevance of education/training to the Lisbon goal" rather than relevance to anything more general (EC 2003a: 6). Making Europe a leading knowledge-based economy would be possible "only if education and training functioned as factors of economic growth, research and innovation, competitiveness, sustainable employment and social inclusion and active citizenship" (EC 2003a: 6). Thus what is needed today is a "new investment paradigm" in education and training – what is going to change is not only the variables of the investment model but also the underlying parameters (EC 2003a: 9).

The communication mentions briefly the Bologna Process (and the Bruges-Copenhagen process in the European integration of vocational training) as examples of moves in the right direction, but hastens to add that "the pace of change does not yet match the pace of globalization, and we risk falling behind our competitors if it is not increased" (EC 2003a: 10). Again, it is interesting to note the large extent to which the phenomenon of globalization is present in the documents relating to the common European research space, in contrast to being largely neglected in the Bologna Process documents.[65]

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[64] Incidentally, it is important to remember the crucial difference between the "knowledge economy" and the "knowledge society" – as different from each other as the "economy" is different from "society".

[65] Without forgetting, at the same time, that "it is the ideas that actors hold about the context in which they find themselves rather than the context itself which informs the way in which actors behave. This is no less true of policy-makers and governments. Whether the globalization thesis is 'true' or not may matter far less than

In terms of financing, generally, in several recent communiqués the issue of *private* investment in both research and higher education was raised. The communication on *More Research for Europe. Towards 3% of GDP* makes it clear that the increase in R&D investments in the EU (from the current 1.9% to 3% of GDP by 2010) is expected to come largely from private rather than public funds. Thus the main challenge is "to make R&D investment more attractive and profitable to business in the European Research Area" (EC 2002c: 5). There is a need for "boosting private investment in research" as another communiqué *Towards a European Research Area* calls one of its subsections (EC 2002a: 12–13). *Investing Efficiently in Education and Training* reminds us that

> it is very important to realize that the largest share of this deficit stems from the low level of private investment in higher education and research and development in the EU compared with the USA. At the same time, private returns on investment in tertiary education remain high in most EU countries (EC 2003a: 13).

Consequently, if we take together the low *private* investment levels in higher education (low private share in the costs of studying) and the high *private* returns on university education (higher professional status combined with the higher salaries of graduates from European universities), the answer given is to add to public funding by "increasing and diversifying" investment in higher education (EC 2003a: 13). But as Henry and colleagues described the apparent paradox, "though education is now deemed more important than ever for the competitive advantage of nations, the commitment and capacity of governments to fund it have weakened considerably" (Henry et al. 2001: 30–31).

The idea conveyed to universities is that they should "do more (teaching and research) with less (public money)" but possibly with more private funds.[66] From the perspective of transition countries,

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whether it is *deemed* to be true (or, quite possibly, just useful) by those employing it" (Hay and Rosamond 2002: 148).

[66] The business sector is probably the most important sector in which research and development is performed. Business research and development is market-driven and accounts for most expenditure on innovation, as a recent *Key Figures 2003–2004. Towards a European Research Area. Science, Technology and Innovation* argues (EC 2003d: 27). The business expenditure on R&D as a % of R&D intensity is 65.6 in the EU-15

"boosting" private investment in research seems largely unrealistic today, as opposed to boosting private investment in studying which has already happened in hundreds of both public and private institutions with a considerable share of fee-paying students (see Tomusk 2003; Kwiek 2003a and 2003c). For most new EU member countries, though, to reach the EU goal – a level of 3% of their GDP for research and development by 2010 – is hardly conceivable, especially taking into account the current low levels of funding in most of them. It is also interesting to note that the policy for revenue diversification in higher education in less industrialized countries (including some parts of Central and Eastern Europe) may not be as effective as it was previously thought, as D. Bruce Johnstone shows (Johnstone 2003).[67]

6.9. Conclusions

To conclude, let us restate the major points: the recent EU discourse leaves no doubts about the direction of changes in the social and economic roles of the institution of the university in emergent

(with the highest level in Sweden and Switzerland, of 78 and 74, respectively) – as opposed to Latvia and Hungary (40), Poland (35), Lithuania and Bulgaria (21).

[67] How do the documents about the European Research Area refer to universities in Central and Eastern Europe? They emphasize "frequently difficult circumstances of universities in the accession countries as regards human and financial resources" (EC 2003b: 3) and stress "a greater level of heterogeneity of the European university landscape" after enlargement (2003b: 10). Similarly, a communiqué on *More Research for Europe* reminds us that the share of business funding is very low in most accession countries and concludes: "the diversity of situations in Europe calls for differentiated but co-ordinated policies" (EC 2002c: 8). Even though we may not be especially fond of describing the catastrophic situation of both private and public funding of research activities in most transition countries by way of euphemisms like "difficult circumstances of universities", "heterogeneity of the European university landscape", and the "diversity of situations in Europe", we must nevertheless acknowledge the fact that huge gaps between the EU-15 and most of the transition countries are clearly recognized in EU documents. The Bologna Process documents, by contrast, do not even use euphemisms to describe the different points of departure in various countries in the integration project. Not a single document acknowledges the massive difference between universities in affluent countries of the West and universities in transition countries. What is widely acknowledged instead is a wide "linguistic" and "cultural" diversity among European institutions.

"knowledge societies". The institution of the university seems already to have found it legitimate, useful and necessary to evolve together with radical transformations of the social setting in which it functions. For in the new global order, against the odds, universities are striving to maintain their traditionally pivotal role in society. The role of universities as engines of economic growth, contributors to economic competitiveness and suppliers of well-trained workers for the new knowledge-driven economy is being widely acknowledged – which is undoubtedly *a radical reformulation* of the traditional social roles of the university. The university in a European context seems to be entering a new era of its development (epitomized by the EU "Education and Training 2010" agenda of 2004). The main reasons for these transformations that are worth mentioning here include the globalization pressures on nation-states and its public services, the strengthening of the project for a "common Europe" through new education and research spaces, the end of the "Golden age" of the Keynesian welfare state as we have known it, and the emergence of knowledge-based societies and knowledge-driven economies. More generally, the processes affecting the university today are not any different from those affecting the outside world; under both external pressures (like globalization) and internal pressures (like changing demographics, the aging of societies, maturation of welfare states, post-patriarchal family patterns etc); the processes in question being the individualization (and recommodification) of our societies and the denationalization (and desocialization) of our economies. On top of that, we are beginning to feel at universities the full effects of the universalization of higher education and the increasing commodification of research. For the project of European integration, the theme of the new "Europe of Knowledge" seems crucial; the emergent European educational and research space becomes a significant component of the "revitalization" of the Europeanization project. The foundations of the European knowledge society (and knowledge-economy) are constructed around such pivotal notions as "knowledge", "innovation", "research", "education" and "training". Education, and especially "lifelong learning", becomes a new discursive space in which European dreams of common citizenship

are currently being located. A new "knowledge-based Europe" is becoming individualized (individual learners rather than citizens of nation-states) and the construction of this new educational space can contribute to the forging of a new sense of European identity. It is possible even that the idea of Europe and its founding myths and symbols are being redefined; and it is this new education space (being constructed through the emergent European educational and research policies discussed in the present chapter), within which a new European identity is being forged, that is crucial in discussing transformations to European universities today.

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