

Epilogue: The new class (room) struggle in the neoliberal university

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The different essays in this volume have all addressed the current status and role of the academic profession and future prospects. In this epilogue, I want to place the discussion into the institutional context of changes to the university and how that is determining new relationships between academics and students and academics and senior managers. I will suggest that the academic role is becoming 'de-professionalised', but that is not a simple matter of it become 'deskilled' and subject to worsening conditions. The integration of the academic role into general employment processes has been longstanding and the issue is at least in part the changing nature of those general processes.

Max Weber (1948 [1918]), for example, wrote in the early twentieth century about how the academic role was shifting from being a vocation to being a form of employment within a university that was itself increasingly like a capitalist corporation. Later sociologists represented this development somewhat differently and rather more positively. According to Parsons, for example, the academic vocation had become collective, represented by the professional association and its ethics (Parsons 1971; Parsons and Platt 1973). Even the convergence between the university and other large-scale corporations could be presented in a positive light once it was recognised that the separation of ownership from control had opened a space for the corporation to represent interests other than profit-maximisation. This, for Parsons, allowed bureaucratic organisation to be moderated by collegial relations. On this understanding, then, the corporation was becoming like the university as much as the university becoming like the corporation. Finally, professional ethics were also increasingly 'socialised' as the political and industrial revolutions of modernity were joined by an educational revolution incorporating social rights of citizenship (for a full discussion, see Holmwood 2017).

The current crisis confronting the academic profession in a number of countries is primarily a consequence of dramatic changes of finance and function in higher education. These have significantly disrupted the narrative just presented. 'Shareholder value' now dominates the modern corporation, and any convergence between the university and large scale corporations is at odds with collegiality. These changes are profound within Anglophone higher education, especially in the UK, Australia and the US. From the point of view of teaching, the changes are associated with a decline in direct public-funding of undergraduate degree programmes and its replacement by a fee-based system supported by student loans. From the point of view of research, the shift has been toward its management to secure government objectives, primarily for its commercialisation or its service to approved beneficiaries. As a short-hand, I will characterise this developments as the involving the construction of a neo-liberal knowledge regime.

This is frequently understood in terms of the 'marketisation' of higher education, but we should also understand that this involves the absence of the profit motive, for which is substituted 'revenue maximisation'. In this short piece, I want to consider the neo-liberal knowledge regime in terms of the relations between students, staff, senior management

and government, and how the functions of the university are shaped by these relations. I will do so through the lens of a rather old and now forgotten text by C.B. Macpherson, namely his Massey Lectures for the Canadian Broadcasting Corporation in 1965, published as *The Real World of Democracy* (1966).

One part of Macpherson's argument was to consider the potential contradiction between liberal democracy and the market principle of the 'myth of maximisation'. Liberalism, for him, was primarily a system of power based on property rights and this was in tension with the principle of equality integral to democracy. 'Maximisation' gave rise to inequalities that would conflict with democracy unless checked. It is this tension, I shall suggest, which is currently playing out within higher education in Anglophone countries. Macpherson was conscious of the rise of the public sector, within which he located the growth of higher education. He has interesting comments to make about the nature of the class relation intrinsic to any public sector activity. Class relations involve a transfer from workers to property owners, but he asks "to whom, then, is the transfer made in the case of those working in the non-profit sector?" (1966: 49). Notice, he is assuming that labour markets will generally operate to regularise payments across workers of similar levels of skill and qualification whether employed in the private or public sector. But, "teachers and social workers, librarians and civil servants, are not obviously having part of their powers transferred to others who are owners of their means of labour" (1966: 49). His solution of this riddle is to suggest that the transfer "can only be to the public, to the whole local or regional or national community which has, through one agency or another, decided as a community to provide such services to itself" (1966: 49).

In my view, this is a very neat and unusual framing of what is at issue. In effect, he is suggesting that this is a form of socialisation of labour that depends upon self-organisation of the community, through the agency of government. Macpherson here gives succinct expression to Parsons's argument that the growth of the professions takes place alongside the growth of democracy and that democracy also transforms their operation. What is interesting is to consider what happens when that same agency – the government representing 'the community' – decides to privatise the services that higher education provides. It may do so in the name of the taxpayer, but notice that the class relation remains different from that of the private sector just in so far as universities remain not-for-profit. How do universities now relate to the wider inequalities of a liberal society based on private property when they no longer have the function of ameliorating those inequalities? Let's rewind a little. Macpherson was writing at a specific moment in the development of liberalism as a welfare state in which universities were increasingly incorporated, but universities had existed prior to the development of the welfare state, just as they now post-date it.

Taking the long view, universities have always adapted to their social and political circumstances and they carry the traces of their past. Higher education in the US, for example, has been much more fragmented than that of the UK. There has been much less direction at the federal level and greater autonomy for individual states in the development of public higher education. The latter grew dramatically in the 20th century, but that growth

did not displace private, socially elite institutions. The early development of higher education was beset by de facto and by legal exclusions based on gender and race, as well as class (Wilder 2013; Smith 2016). The private colleges were frequently racially exclusive, while segregation in public institutions in the southern states of the US did not end until the 1960s.

The situation in the UK was somewhat different. While a university system (mainly that of Scotland) was exported to the colonies, the expansion of higher education within Britain took place primarily in the post-war period and coincided with the end of empire. 'Race' was externalised, and the expansion of higher education after World War II created a single system in which the elite institutions of Oxford and Cambridge were also incorporated. The distinctive characteristics of Scottish universities were left in place, but the universities were funded similarly and performed similar functions.

The Robbins reforms after 1964 in the UK, then, produced a more complete approximation to a system of public higher education than was the case for the US (with the possible exception of California and Clark Kerr's 'Master Plan' that was implemented at around the same time). The character of Britain as politically highly centralised has meant that not only the shift toward a public higher education system was more complete than that of its Anglophone fellows, but also that the retreat from it into a neo-liberal knowledge regime has been more complete, too, enabling us to be clearer about its incipient social relations.

Two notes of caution: I will restrict my observations primarily to England because, since 2000, higher education is a devolved responsibility. Much of what is to be found in English universities is also found in Scotland, for example, but the shift from a system of public higher education to a fully marketized system is more extensive in England than in the other devolved jurisdictions. The new system began in the academic year 2012-13 for students in England (and in a modified form in Wales), but not in Scotland, where the devolved Assembly has powers over higher education policy and elected not to follow the UK government's determination of policy for England. Equally, while there are similarities between English higher education and that of the US, the latter has a more mixed character; public higher education was not so dominant and financialization has taken on different forms (both with regard to for-profit education (Cottom 2017), and the systems of student debt finance entered into by prestigious universities (Eaton 2022).

The publicly-backed, income-contingent loans of the English student loans system have significant consequences for how students are addressed by the revenue-maximising practices of English higher education, but student debt is less consequential in the future lives of graduates in the UK than it is in the US. Here, I must post a word of caution – in so far as the government seeks to reduce the cost of underwriting the loans and it does so by extending the repayment period and by reducing the income repayment threshold, the debt burden on graduates will increase with those on lower incomes more disadvantaged than

those on higher incomes.¹ At the same time, removing fees altogether would disproportionately benefit the better off. This is the neo-liberal 'lock-in' achieved by the introduction of fees in circumstances of austerity, where redressing other social inequities will have a higher salience among voters.

In effect, the transfer that Macpherson identified is now taking place between employees in higher education and the wider public (represented by the government and its underwriting of loans) and between employees and students (as the consumers of education and the potential beneficiaries of the investment in their human capital, but also facing loan repayments).

What is at stake in the shift from a system of public higher education to a neo-liberal knowledge regime? From the perspective of government, these changes represented a step toward a properly functioning market in higher education where student choices will determine the distribution of students across universities and programmes of study within them. At the same time, for-profit providers are allowed to compete for students, thereby opening up institutions with a broad set of purposes – teaching, research, cultural reproduction and debate – to competition by institutions (newly allowed the title, 'university') with a single purpose – teaching – under the imperative of profit.

This suggests an 'Americanization' of English higher education with several caveats. On the one-hand, the fact of a publicly-funded income contingent loan system has also created an incentive for government to maintain a cap on fees, which, in turn, has led Russell group universities to lobby for the lifting of the cap (alongside arguing for no restrictions on student numbers). However, the fee cap has also undercut the ability of for-profit providers to compete since the future cost of a degree (in terms of debt repayments) to students does not depend on the nature of the institution at which someone has studied. On the other hand, while senior managers of universities had thought they would achieve political independence, they have found themselves no less subservient to political control. In fact, they are probably more subservient, given that government has shown itself more dirigiste as incomplete marketisation has proceeded.

For students, this creates a somewhat paradoxical situation. They are confronted by revenue maximising institutions seeking to secure as many students (and their loans) as possible. But the costs of their degrees to them is largely determined by a different political struggle. Their loan repayments are generally understood as a form of taxation on earnings above the income threshold for repayments and subject to attempts to reduce the threshold or extend the loan period to minimise the cost to the Exchequer. University management is complicit in that they seek higher fees, but that can only be traded-off against lowering the cost to government. Students are 'enrolled' as future taxpayers with an interest in the reduction of the 'burden' of income contingent loans, especially if they anticipate being in that group whose level of earnings will entail the repayment of their

¹ See, for example, the analysis by Paul Johnson, Director of the Institute for Fiscal Studies, 'Changes to university fees are set to penalise lower earning graduates' (February 22nd 2020). Available here: <https://ifs.org.uk/publications/15955>.

loans. This dynamic has been analysed in the US by Meister (2011) and Newfield (2016) and its relation to English higher education by Holmwood (2018)

Moreover, if the 'transfer' from university teachers is now to students, understood as private investors in their human capital, the incentive is to claim back that transfer in the form of higher salaries. The normal understanding of 'class' proposes an opposition between 'managers' and 'workers'. The former may seek to minimise costs, at the same time as they maximise revenue, but there is a deeper alignment between managers and academic workers which places them each with interests opposed to students. The greater the revenue generated by universities, the more there is to distribute – in the case of universities this is not to shareholders but to those who create value for the institution, namely academics (and, of course, in returns to senior managers). Just as there is an internal division among students between those anticipating to pay off their loans and contribute through taxation to the underwriting of the loans of those who do not, and the latter, so there is a potential division among academics (and associated staff). Casualisation of employment covers two distinct positions – the entry position to secure employment and the precarious position of those who take on mass teaching and other roles that improve the conditions of those deemed by their institutions to be high value through their contribution to 'rankings' (Holmwood and Marcuello-Servós 2019).

We can assume that these are tensions that may lead to a shift closer to what the Browne Report had initially proposed when recommending reforms in 2010, where fees would be uncapped, and universities would negotiate their own loan systems (after all, the proportions of students at each institution that go on fully to repay their loans varies, reflecting the return of 'positional' social status factors in the determination of future incomes). This would also create the conditions for more effective competition from for-profit providers, but this could operate within a stratified system where fees were competed down for some institutions while others were able to bid them upwards, as situation similar to what obtains in the US (Newfield 2016).

Of course, once these developments are described as the application of neo-liberal policy prescriptions to higher education, then, as with any trajectory, its 'moment' can be projected backwards to the 1980s and the introduction of 'cost-centre' budgeting, following the Jarratt Review (1985) along with an escalation of the techniques of new public management through audit measures and performance indicators applied to teaching and research activities, and the outsourcing of ancillary services. One of the consequences of this projection backwards, however, is to neutralize what is distinctive about the present moment as *a moment of recognition*; or, more specifically, a moment when we need to recognize that the university has undergone a transition *from serving democracy to serving the market*. A reduction in the public functions of the university follows from the reduction in its public support – this is an effect of the implicit 'class struggle' identifiable through Macpherson's succinct analysis.

One difficulty in making my argument stick is that democracy and the market need not be understood as opposed. Indeed, the relation between private benefit and public good has always been contentious in the context of higher education. Thus, the expansion of public

higher education was not a simple extension of arguments that had been used to justify public secondary education and its compulsory nature. The latter was universal in character and, therefore, could be represented as a 'social right' that secures a public benefit, namely a common education for citizens, a benefit recognized even by Milton Friedman (1962), who also thought only directly vocational courses at university with high future returns (medicine, law, etc) warranted fees. In the case of higher education, participation was not intended to be universal, merely to be expanded (in the UK case, closer to the level already attained in the US).

In this context, then, there was always the latent issue that higher education secured a private benefit for its graduates, when compared with the circumstances of those without university degrees. Why would 'the community' support it through taxation? This was the question posed by Macpherson. This is especially pertinent once it is understood that, no matter how much participation might be widened, higher education would be likely to attract proportionally more of its participants from socially advantaged backgrounds. How could public investment in a private benefit be justified when it seemed to favour the already advantaged? This point is reinforced in Eaton's (2022) recent critique debt-financing of US higher education and the difficulty of passing federal legislation to mitigate its impact on graduates.

We might note that those who make this argument in our current context are not otherwise advocates of redistributive measures to address inequality, nor are they hostile to the public support of private benefits in other domains (as in facilitating private landlords through 'buy to let', rather than support for social housing, for example – see, Boughton 2018). Yet, it is precisely broader developments in the distribution of inequalities that explain both the earlier commitment to public funding (notwithstanding the private benefits that accrued) and present arguments that private benefits disqualify higher education as a legitimate or high priority case for public investment. Thus, at the time of the expansion of higher education, there was a general expectation of a shift from an industrial to a post-industrial, knowledge-based economy, where there would be increased demand for educated labour and a general 'adaptive upgrading' of all jobs. Indeed, this was evident in the way in which a secular trend in the reduction of inequalities was regarded as 'institutionalised' across most Western societies, even if the level of inequalities was significantly greater in some (the US, for example) than in others (Sweden, or the UK up until the 1980s for example). In effect, this was endorsed as 'fact' by Kuznets (1953) and his 'curve' demonstrating declining income inequality with economic growth.

Public spending on higher education, then, could be justified in terms of its wider benefits; even if an individual's educational attainments and preferences did not take him or her to university, there would be a benefit from the greater integration of higher education and the economy. In other words, higher education was part of a wider political economy underpinned by social rights (Holmwood and Bhambra 2012, Holmwood 2017). Nor was there perceived to be an insuperable conflict between the market and social rights. In this context, Robbins and Kerr were reflecting a general consensus (or at least consensus among

political and policy elites) about the value of university education in a context where economic growth could itself be represented as an inclusive social benefit.

This all may strike some readers as somewhat passé and mainly of historical interest only. Indeed, Thomas Piketty's (2014) landmark book on inequality, *Capital in the Twenty-First Century*, makes explicit what was already becoming increasingly evident; namely, that the period of Kerr's *Master Plan* and the *Robbins Report* was a high-water mark in the commitment to public spending and the reduction of wider inequalities from which there has been a very considerable retreat in many countries. For Piketty, and most other commentators, this period of positive amelioration came to an end in the 1980s with widening inequality re-emerging such that its range has now returned to that of the late nineteenth century. Indeed, for Piketty, capitalism has once again taken a patrimonial form in which inherited wealth and inherited social position predominate, notwithstanding a continued emphasis in political rhetoric upon social mobility and equal opportunities.

Piketty, of course, is a critic of the wider patterns of growing inequality and argues for a return to progressive taxation, especially on wealth and high incomes. At the same time, he also sees education as a potential mitigating factor. In effect, this is a return to arguments that underpinned the expansion of public higher education, notwithstanding that it is now subject to the same pressures on public financing and the extolling of market-based policies that are associated with the very widening of inequality that is the object of his concern. Moreover, notwithstanding the emphasis on universities for stimulating local economic growth, they also can have disruptive effects on local communities through processes of gentrification (Baldwin 2021). How can universities, and education more generally, be part of the solution to problems of inequality if, at the same time, they exemplify (and exacerbate) the very processes that are at issue?

Given that higher education continues to receive some 'community support' through taxation – albeit considerably reduced in both the UK and the US – we can understand the invocation of the 'culture wars' as a means by which populist politicians in governing conservative parties seek to break the 'contract' that previously existed and align it with opposition to 'privileged' elites whose advantages are at the same time being enhanced rather than diminished. Indeed, rather than ameliorating inequalities, universities are now one of its engines and the university itself operates as a microcosm of wider inequalities in society, with increasingly wide differences in pay and conditions among different types of staff. Moreover, if the 'class(room) struggle' identified here is correct, then, academics themselves will be divided over whether to participate as beneficiaries in widening inequality, or act to allow transfers to 'private appropriators' temporarily as a step towards the restoration of public higher education.

What should be clear to us, however, is that while we may lament the changes and express deep concern at the politicisation of knowledge claims involved in attacks upon experts and professional values, what we call 'politicisation' is the shift in the politics of one knowledge regime and its replacement by the politics of another. We cannot invoke the professional ethics of disinterested knowledge developed under the social and political conditions of the public higher education in the circumstances of the neo-liberal knowledge regime. There are

no transcendent professional values and to invoke the disinterested pursuit of knowledge in current circumstances is to participate in the instrumentalization of knowledge and the erosion of the university's functions for democracy. There are, however, powerful interests both within and outwith the university that secure its new role in the reproduction of social inequality.

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