

The university, democracy and the public sphere

John Holmwood, University of Nottingham

(Forthcoming, *British Journal of Sociology of Education*. Currently available online first)

Abstract: This article takes an historical approach to the rise and fall of the *public* university, relating its fate to specific developments in public policy. Particular attention will be paid to the United States and the United Kingdom since they are leading the drive the marketization of public higher education in the name of a neo-liberal global knowledge economy. It addresses how the functions of the university and its corporate form are being transformed and relates this to wider developments in the nature of the corporation and the relation between business and citizenship (or, market and democracy).

Keywords: citizenship, corporation, markets, neo-liberalism, professions, and social rights

Let me begin with an admission: the idea of the public university is itself rather imprecise.¹ In the US, it can be traced back to the 'land grant' universities of the mid-nineteenth century, and, in England, to the civic universities of the late nineteenth and early twentieth century. Scotland, for its part, had a separate civic tradition that has an earlier origin and has been particularly important in the export of higher education institutions within the British Empire. Otherwise, universities in both the US and the UK have had varied foundations and histories; these range from religious foundations serving the education of the clergy to private institutions serving elites, as well as technical institutions serving vocational professions, and even separate racial groups, as in segregated educational institutions in the US. The most recent development has been the rise of for-profit providers of higher education, especially in the 'global South', though these are now also increasingly important (and growing) in the US and UK. It is this latter phenomenon, alongside that of revenue-generating 'satellite' campuses of US and UK universities operating in other countries together with increasing cross-border flows of students, that constitutes the 'globalisation' of higher education (Nelson and Wei, 2012; Universities UK 2014; Kennedy 2015).

These wider histories are largely outside the purview of this article. My interest is in post-second-world-war developments of higher education, associated with its great expansion, both in the US and the UK. Perhaps, of the two, only the UK can be characterized as having developed a *system* of public higher education. This was the explicit intention of the Robbins Report (1963) and it created a single public

Notes:

¹ For a discussion of the idea of a public university as an expression of Dewey's idea of the public, see (Author A 2011).

university system that included the Universities of Oxford and Cambridge, notwithstanding their different status and additional private endowments. The Robbins' ambition to include local authority colleges ('polytechnics'), however was blocked until they were granted University status in 1992 (hence, the designation 'post 92', or 'new' universities). In this way, the Robbins Report mirrored the California 'Master Plan' of Clark Kerr with its integrated system of research universities, state universities and community colleges, although it took longer to bring to fruition in the UK, while private institutions like Stanford and USC remained outside California's 'Master Plan'.

At the same time that Lord Robbins delivered his report to the British parliament, Clark Kerr, President of the University of California, delivered his Godkin lectures on the 'uses' of the university (Kerr 2001). He spoke of the transformation of the university into a 'multiversity', using this term to indicate the different functions ('uses'), of the modern university and how it had been transformed from a single community into a multiplicity of constituencies. Kerr was also clear that while modern universities (and especially their academic constituency) were jealous of their autonomy, they were also highly adaptive institutions. Most of the changes had taken place as a consequence of changes in the wider social environment, to which the university had adjusted. This frequently gave rise to conflict within the university, just in so far as the interests of its different constituencies were associated with shifts in the valuation of different activities (for example, with regard to rewards of promotion, status and the like).

Notwithstanding the greater pluralism of US higher education (deriving from its federal system of government, in contrast to the highly centralized government of the UK),² there was general agreement that what had emerged in the post-war period in both countries was a differentiated set of institutions with more-or-less ordered relations among them. The distinctive feature of this complex was the central role of the 'research university', involving increasing interconnections between the university and the wider economy and society.³ At the same time, the

² This changed after the creation of devolved assemblies in 2000, such that central Government policy for higher education applies only to England, with Wales, Northern Ireland and Scotland having separate jurisdiction. Recent radical reforms, involving the marketization of higher education, apply primarily to England.

³ The Robbins Report identified four aims, or public benefits, that warrant public higher education. These are the public benefit of a skilled and educated workforce (1963: para 25), the public benefit of higher education in producing cultivated men and women (1963: para 26), the public benefit of securing the advancement of learning through the combination of teaching and research within institutions (1963: para 27), and the public benefit of providing a common culture and standards of citizenship (1963: para 28). The Report commented that, "The system as a whole must be judged deficient unless it provides adequately for all of them" (1963: para 29).

expansion of student numbers and the importance of higher education in providing credentials on the job market also gave universities an important role in securing 'equal opportunities'. The 'massification' of higher education is itself associated with democratization, although as we shall see later, it is not its defining feature.

Universities previously associated with elite social reproduction, such as the Universities of Oxford and Cambridge and the US 'ivy league' colleges, sought to transfer that elite status into research activities, while also presenting themselves as providing access to superior employment opportunities in a purportedly meritocratic system of recruitment.⁴ The expansion of free, public higher education was believed by Robbins to mitigate the effects of a mixed system of public and private secondary education, potentially giving rise to the decline of the latter and with it the 'sponsored' form of mobility that, according to Turner (1960), stood in contrast to the US form of 'contest' mobility.

Kerr, more than Robbins, was conscious of the potential difficulties that were on the horizon for universities and, indeed, he returned to these problems in essays written for subsequent editions of his book. The fact that the expansion of the university system, in both its research and teaching aspects was associated with increased public funding made it subject to increasing political scrutiny, which, from the perspective of its members, was a potential encroachment on autonomy, as has recently also been argued by Ginsberg (2011) and Nussbaum (2010). In addition, the expansion of public higher education was not a simple extension of arguments that had justified public secondary education and its compulsory nature. The latter was universal in character and, therefore, could be represented as a 'social right' that secured a public benefit, namely a common education for citizens, a benefit recognized even by Milton Friedman (1962). The Robbins approach was generous – "courses of higher education should be available for all those who are qualified by ability and attainment to pursue them and who wish to do so" (1963: para 31) – but 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, there was potentially the issue that higher education secured a private benefit for those who graduated from it, when compared with those that did not. At the same time, no matter how much participation might be widened, it would be likely to attract proportionally more of its participants from socially advantaged backgrounds. However, at the time, 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,

⁴ Of course, elite universities can also sustain an ethic of social responsibility, through 'continuing' education and other forms of outreach such as was represented by the 'settlement movement'.

for example) than in others (Sweden, or the UK up until the 1980s). 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 (See, Author Holmwood and Bhambra 2012). 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.

This all may strike some readers as somewhat passé and 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 in which we are interested is associated with a high water mark in public spending and the reduction of wider inequalities from which there has been a very considerable retreat. For Piketty, and most other commentators, this period of positive amelioration came to an end in the 1980s with inequalities re-emerging until their range has now returned to that of the late nineteenth century. 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 significant mitigating factor. In effect, this is a return to arguments that underpinned higher education's expansion, 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. *How can universities, and higher 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?*

This is the most fundamental dilemma that now faces all who work in higher education, or are interested in its future. It is my view that the rise of the public university represents a specific moment in the development of citizenship and its decline, therefore, should be understood primarily as a problem in the *institutions* of citizenship. It is to these issues that I now turn, seeking to understand the recent trajectory of higher education in the context of sociological theories of modernity across the same period, especially theories of the public sphere.

Universities and the public sphere

The idea of the public sphere as a site of the exercise of practices of citizenship has a particular association with Habermas (1989) and his study of the construction of the bourgeois public sphere in early capitalism. McCarthy, who provides an introduction to the book, usefully summarises the concept (or category) as, “a sphere between civil society and the state, in which critical public discussion of matters of general interest ... [came to be] ... institutionally guaranteed” (1989: xi). What is significant about the definition is that it stresses processes of opinion formation separately from mechanisms of political representation through institutions of the state. At the same time, it situates them between political representation and the other activities of members of society expressed through private voluntary associations, including the market exchanges of emerging capitalism.

The public sphere, then, is distinct from both market and the state and a potential problem arises if it is reduced to either. There is an obvious tension between the market and the public sphere, in so far as the former is also a means of aggregating ‘wills’ for which a ‘general interest’ might be claimed without that interest being a product of active (for Habermas, uncoerced) dialogue. In this case, Habermas suggests that we can understand such a ‘general interest’ to be ‘instrumentalised’, or ‘naturalized’ through claims of market necessity as a kind of ‘second nature’.⁵ However, given that Habermas is treating the emergence of the (bourgeois) public sphere alongside the capitalist market economy, his initial orientation is the development of an autonomous public sphere free of domination by political authority (and associated religious authority) through which demands for political representation and reformed (democratic) political institutions can be articulated.

Of course, the public sphere was limited in terms of those who were assigned membership, or presence within it. While expressed in terms of the civil and political rights of a political community of ‘equals’, equality was always a restricted category - for example, on the grounds of race, class and gender. In that context, the ‘general interest’ was the interest of some exercised against others. Nonetheless, struggles against domination occurred by entering the public sphere as a site where rights could be redefined and demanded. In other words, the public sphere was a space in which demands could be made and negotiated as part of the process of the reform of institutions; democratization, thereby, is properly understood in this context as both process and institution.

Subsequently, writers – including Habermas – have addressed the rise of capitalist mass media corporations, market research, and the manipulation of public opinion associated with the public sphere under conditions of mass democracy. What is striking about a range of studies devoted to such topics, however, is that the university is largely absent from discussion, notwithstanding its status as the site of

⁵ The market is more usually expressed by market advocates as a sphere of liberties grounded in property rights, where the concern is to limit government infringement on those liberties which may potentially derive from pressures from the public sphere. See, for example Tomasi (2012).

academic knowledge claims about the public sphere. To be sure, there was a flurry of publications around the student protests and movements of the 1960s (for example, Habermas 1970), but this did not give rise to any sustained treatment of the university's role in the public sphere. For example, there is no discussion of the university in Habermas's original text, nor in Mayhew's (1997) later treatment of political rhetoric and professional communication, nor in Honneth's (2014[2011]) recent discussion of the social foundations of democratic life.

For most writers within the critical tradition, it can be inferred that the primary issue is that of the 'autonomy' of the university and this is largely constructed around the problem of external political direction. Even where writers are conscious of the way in which the university is increasingly tied into a corporate economy, the problem is still addressed from the political, rather than the economic side. Thus, in Habermas's (1975) early discussion of the topic, the problems of late capitalism required the stabilizing interventions of a welfare state and the university was understood as part of that new administrative complex and as *politically* constrained toward instrumental purposes. This represented the university as part of a more general problem of the public sphere, but it did not involve identifying it as having specific characteristics of its own in relation to that public sphere.

Equally importantly, there was also a problem of how Habermas (1975) characterized the relation between the state and the economic aspects of civil society through his idea of 'administered capitalism'. Both state and market are associated with steering mechanisms, where the broader problem is the reduction of the lifeworld – as the sphere of values – to the instrumental mechanisms of the 'system', namely those of bureaucracy and the market. In other words, such steering mechanisms are not understood to be embedded in values and determined by them. There is no space in the analysis for the representation of the growth of the welfare state as the realisation of values – for example, social rights – as distinct from seeing it as functioning to stabilise a capitalism deemed to be problematic from the perspective of claims to social justice. Habermas (1992) comes closest to addressing issues of social rights in his engagement with Rawls (1993) who, in effect, incorporates them into his theory of social justice. However, each discusses the nature of public reason in the context of social justice without any discussion of the university as an institution integral to the facilitation of public reasoning.

The consequence of these arguments is that the democratic significance of the university is weakly understood, as is the public university as a distinct form. In effect, the expansion of higher education since the second-world-war comes to be assigned to two phases. The first is associated with the rise of administered capitalism and the (Fordist) welfare state, the second with a post-Fordist phase, which has a particular alignment with a reorganized knowledge economy invigorated by new disruptive technologies (Delanty 2001). In each case, the university is potentially 'de-formed' by the dominance of instrumental rationalities deriving from state direction in one case and from the market in the other (notwithstanding that the primacy of the market requires strong state direction). Even here, what is contemplated is the university servicing the market (for example, by providing a

skilled workforce), rather than the university itself being marketised or directly subordinated to the market.

The 'values' that inhere in the university by which it might be defined (and defended) are, at best, those that are traditionally associated with its 'autonomy'. But, 'autonomy', of course, is one of the primary claims of any corporate CEO in the face of regulation or market restriction. Nor does the idea of 'autonomy' contain a commitment to the democratic purposes of the university. Indeed, it has come to be seen as a defence of faculty interests against those of an encroaching management that is often seen to derive from public funding imperatives (Ginsberg 2011) and, therefore, 'private' status is judged preferable.⁶

In the next section, I will set out how the 'values' that might better capture the significance of the public university, and, therefore, what is at stake in our present situation, are precisely those of democracy and 'social rights'.

The 'citizenship complex'

It might seem odd to begin with a brief discussion of the contribution of Talcott Parsons, and I do not do so simply to endorse the arguments he set out. However, this move is partly made possible by a recent convergence upon them from within the critical theory tradition. This is largely unacknowledged in the case of Habermas (Holmwood 2009), but explicit in the case of Honneth (2014) who regards Parsons's social theory as the one which is required by a reinvigorated (critical) Hegelian normative theory of modernity. For Honneth, the issue is how to understand the different spheres of modern society – essentially, for him, those of personal relationships, market, and political will-formation (or family-household, market and public sphere) – as expressing normative values. In this way, values are not assigned to the sphere of a distinct and separate lifeworld, but also embed spheres otherwise understood as instrumental, or only 'externally' regulated. Instrumentalisation is a possible 'deformation', within each sphere, but it is not intrinsic to any sphere as its internal 'logic'. This, then, begs the question of what the normative basis of each sphere might be and how they are inter-related.

It is here that Parsons' treatment of modernity has interest for Honneth (albeit he does not address the role of the university and education more generally in the former's account). In effect, Parsons' theory of modernity has the form of a projection forward of tendencies he believed to be evident in the 1960s and 1970s as intrinsic features of modern society. As Brick (2006) has written, this was a moment when a number of US sociologists believed in the transcendence of capitalism, reinterpreting the developments otherwise identified by Habermas at more or less the same time in a fundamentally more positive register. Rather than

⁶ In effect, this is an expression of interests within the 'elite' research university and is part of the process by which public universities are displaced. See Holmwood (2012) for a detailed discussion of Ginsberg.

the reduction of modern society to capitalist economy, what was occurring, it was argued, was the embedding of capitalist economy within modern values of achievement and egalitarianism, providing, thereby, not simply a normative grounding of the public sphere, but also of the market economy itself.

Parsons broadly accepted T.H. Marshall's (1950a) account of this process in terms of the development and extension of civil and political rights to include social rights. These refer to membership in what Parsons calls the 'societal community', a domain broadly equivalent to civil society in Habermas (see, Mayhew 1997). Civil rights provide the framework of the boundary relations between the societal community and the state in terms of issues of free expression and assembly. Political rights determine participation in the selection of government through the extension of the franchise. Finally, social rights address the welfare of citizens, "treated as a public responsibility" to secure the "provision of realistic opportunities to make good use of such rights" (Parsons 1971: 21). Social rights seek, "to ensure that adequate minimum standards of 'living', health care, and education are available." (1971:22). Parsons goes on to argue that "it is particularly notable that the spread of education to ever wider circles of the population, as well as an upgrading of the levels of education has been closely connected with the development of the citizenship complex" (Parsons 1971: 22).

A long neglected aspect of Marshall's account has been his treatment of trades union rights and a 'secondary system of industrial citizenship' (Marshall 1950a. See, Holmwood 2000). It is not simply that there is pressure for redistribution of resources outside employment, but also pressure to transform employment itself through trades unions and rights of representation and association. In part, this involves the transformation of an earlier status distinction between salaried employment and waged employment. In effect, the labour contract and its regulation become part of 'employment citizenship', with similar rights and protections across different occupations. This is the 'adaptive upgrading' of all jobs identified by Kerr and Robbins mentioned earlier.

Notwithstanding that Parsons was much less sympathetic than was Marshall to framing these issues in terms of *class*, he does provide a similar discussion, which is, perhaps, more telling for our purposes. For Parsons, the 'citizenship complex' is understood as transforming the corporation, *not from 'below', but from 'above'*. In effect, Parsons traces the 'civil', 'political' and 'social' development of organizational forms. This occurs first in terms of orientation to the market, where increased scale introduces distinct occupational roles associated with management. This is found in the rise of bureaucratic forms of organization. Finally, 'associational' forms of organization emerge. These extend throughout the societal community, but become increasingly important in the 'fiduciary boards' of large corporations. With significantly much less emphasis on struggle than Marshall, Parsons nonetheless identifies employment as a form of membership of a collectivity (beyond a simple

contract). Different forms of associative membership both define a modern societal community and interpenetrate with organizational forms.⁷

What is significant about this account is that Parsons explicitly understands the core structure of the university to be 'associational' (that is, 'collegial') and uses its mode of organization to understand wider developments. In other words, if the modern university becomes more like a corporation, this is also because, at the same time, the corporation becomes more like a university. In part, Parsons attributes this to the rise of the large corporation and the separation of ownership from the functions of management. This latter development assigns managers a 'political' role in the corporation, reconciling different claims upon it. In this way, management is able to take on the status of a 'profession' similar to the rise of other 'professions'.

The development and transformation of the profession was, for Parsons, one of the key features of associative membership in the modern societal community. Professions enjoy a monopoly of practice in the light of claims for special expertise requiring considerable trust on the part of clients who are not able to judge services provided in terms of a principle of *caveat emptor* that might operate in other contractual relations. This poses a moral hazard, or information asymmetry, where clients may be vulnerable to a self-interested professional's pursuit of profit. However, according to Parsons, professional associations serve to regulate the relations between practitioners and clients and do so both by certifying knowledge and by codes of practice that establish a 'professional ethics' (something he develops from Durkheim). The point is not that the professional person is less driven by self-interested motivations, but that these are constrained by new social structures toward a reconciliation of private and public interest in terms of self-conscious duties and responsibilities.

Once again, this is an argument also set out by Marshall (1950b). In an article first written in 1939, but specifically selected by him for publication alongside his more well-known 'Citizenship and Social Class', he makes the point that the development of rights also requires special occupational groups to deliver them, namely professions. Under the dominance of civil and political rights, the professions are associated with an 'individualist' form of transcendence of self-interest related to pecuniary advantage. This involves, "the belief that the individual is the true unit of service, because service depends on individual qualities and individual judgement, supported by an individual responsibility which cannot be shifted on to the shoulders of others... it is not concerned with self-interest, but with the welfare of the client" (1950b: 140). With the development of social rights and services provided directly through public authorities, however, this involves that, "the professions are being socialized and the social and public services are being professionalized"

⁷ Significantly one of Parsons's severest critics, David Lockwood, also comes to a similar view, drawing on Marshall to argue for an "institutional unity consisting of citizenship, market and bureaucratic relationships" (1996: 532).

(1950b: 147).⁸ With regard to the first aspect, professions are brought to connect the welfare of the individual client with obligations to the wider public. With regard to the second, the professionalisation of services means that they are provided in a manner befitting social rights of citizenship. They are provided as a service to individuals regarded as equal members of the political community, rather than as recipients of charity.

To some extent, then, the development of the professions follows the track of the university itself. Just as the professions once recruited from those with high status backgrounds because they served people of a similar status (an argument that goes back to Adam Smith), so the university was initially associated with the reproduction of elite culture. However, with the development of the 'citizenship complex', as the professions are democratized, so, too, is the university. This is not the democracy that might be claimed by a student movement concerned to disrupt status hierarchy, but the latter, for Parsons, was a symptom of a shift in the meaning of the university and not in itself the direct expression of the meaning of the university for democracy.

This is so not least because the university is responsible for what Parsons calls the 'cognitive complex' and its normative significance within modern societies. While the professions are the 'outward' face of the knowledge society and its demand for specialized expertise, the university is increasingly the guarantor of the knowledge base of that expertise and its development through research. Professional associations continue to regulate practice, but increasingly the knowledge they certify is credentialised through universities and their professional schools (including business schools). At the same time, for Parsons, this means that the "profession of higher education, and of scholarly research, has also been acquiring greater relative importance" (1971: 26), along with the notable fact that the educational revolution has begun to "transform the whole structure of modern society. Above all, it reduces the relative importance of the two major ideological concerns, the market and bureaucratic organization. The emerging emphasis is on associational organization, especially its collegial form" (1971: 98).

By emphasizing associational organization, Parsons is, of course, mobilizing a theme of American democracy that goes back to Tocqueville. Nowhere does Parsons use the idea of the 'public university' as a distinct form – in contrast, his preferred

⁸ Significantly, Marshall is more sanguine and prophetic about this development. Within the existing status order, business occupations he suggested are accorded the status of profession that are, "furthest removed in character from the professional ideal, in that they are most completely devoted to money values, money profits and speculation." He goes on, "if one were ruminating on the probable alignment of forces in case of a future crisis one would have to note the affinities between the upper ranks of certain professions and of financial capitalism, and hazard a guess that capitalist interests would be the dominating influence in the group... But at a lower social level the picture is different" (1950b: 151).

terminology is the research university and the professional school, and their functions of research, teaching, general education and socialization. Nor does he use the language of the 'public sphere' to account for the changing roles of the university. However, as I have suggested, he does locate the university centrally within the societal community as an expression of a citizenship complex that secures social rights and defines overall legitimacy within the societal community by reconciling private and public interests. The 'autonomy' of the university, then, takes on a new meaning within this citizenship complex. Its knowledge is at service to a societal community in which, "The principle of equality has broken through to a new level of pervasiveness and generality. A societal community as *basically* composed of equals seems to be the 'end of the line' in the long process of undermining the legitimacy of ... older, more particularistic ascriptive bases of membership" (1971: 119).

Dismantling the citizenship complex

Parsons' general account is evolutionary in its orientation and generally neglectful of struggles, conflict and entrenched interests, as was pointed out by Smelser in a dissenting appendix to Parsons and Platt's (1975) volume on the American university on which he had been a planned collaborator. Smelser's sensibility was closer to that of Kerr (2001) and the latter's concern about the 'pathologies' that might arise as a consequence of conflict among competing interests.⁹ However, my purpose here has not been to affirm the adequacy of Parsons' evolutionary account, but simply to use it as a means of identifying what is potentially at stake in the changes being wrought within higher education in the name of neo-liberal public policy.

Put simply, we can now begin to understand the widening inequality of incomes and wealth outlined by Piketty among others, as part of a process of the dismantling of the 'citizenship complex' and the re-emergence of ascriptive bases of membership. This is consistent with continued high participation rates in higher education which can also be represented in terms of a 'democratic commitment', although the explicit justification that is given is a consumerist one and personal responsibility for investment in human capital. Simply, the dismantling of the citizenship complex can be considered as a shift from 'thick' to 'thin' citizenship, not a denial of citizenship as such. Nonetheless, 'thin' citizenship will involve the return of problems that thick citizenship sought to resolve. So, notwithstanding a continued emphasis on equal opportunities, inheritance of social position has become more evident, not least in low and stable, or declining, rates of social mobility, against the expectation that

⁹ As Kerr observed, scientific research within the university has always been directed toward economic objectives, but this has been accentuated under neo-liberal policies to encourage greater engagement, especially through intellectual property and engagement with venture capital. See, Radder (2010), Mirowski 2011 and Popp Berman 2013. My concern in this article has not been to outline the rise in the commodification of knowledge, but rather to document its corollary, the decline of democratic knowledge.

modern societies were becoming increasingly open. Social rights of citizenship are under challenge, but this is not simply an issue of distributive justice and the withdrawal of a public commitment to 'adequate minimum standards of "living", health care, and education' (Parsons 1971: 22). Another corollary is the 'de-professionalisation' of public and social services, as their recipients are transformed from 'clients' to 'undeserving' recipients and/or 'customers' of services who would be better served by private providers.

However, given the way in which Parsons also argues that associationalism is a characteristic of the societal community, it also involves a transformation of the latter, involving the greater dominance of market and bureaucratic orientations. In other words, it is not simply a matter of widening inequality, but also of the character of services and of the nature of organizational forms as the citizenship complex is reduced to market and bureaucracy (and from bureaucracy to the market). It is in this context that we should understand changes to the corporate form of the university, as following changes to the wider corporation as its 'associational' nature is dismantled. The university is becoming increasingly like that of a business corporation, where its organizational principles involve diminishing its associational aspects.

The story has been told, in part, in terms of the application of the 'new public management' to the university, but, from the perspective set out here, that particular narrative begins by taking the organizational principles of business as unproblematic (See, Dunleavy and Hood 1993, Barzelay 2000, and Lane 2000).¹⁰ The new public management is simply seen as the transfer of business principles – essentially associated with market principles - into a different setting – essentially, that of public service bureaucracy. Indeed, recent commentators have written of the demise of 'new public management', or its exhaustion (Dunleavy et al 2006), but have missed the accelerated processes of marketization that have replaced it (or indeed are continuous with it as its latest manifestation). In effect, the 'new public management' seeks market proxies for the evaluation of the performance of public services, but, in the case of universities, those proxies are increasingly devolved to the market itself.¹¹

Ironically, at the same time as sociological theory was developing the idea of the citizenship complex as the embedding of markets and bureaucracy, economic theory was addressing the problem of restrictions to the market that such embedding represented. It is not possible to do justice to this literature here, but my main concern is how some of it was taken up in a new economics of private property

¹⁰ See Paradeise et al (2009) for a criticism of the application of arguments about the new public management to university governance separately from national traditions of higher education.

¹¹ This was the explicit focus of the UK Government White Paper (2011) on higher education in England, 'Students at the heart of the system' and is reinforced in its most recent (2016), 'Success in a knowledge economy'.

rights (Bartzell, 1989; Eggertsson 1990) that became especially influential in neo-liberal policy circles and as an ideology of 'shareholder value'. The core idea involved market exchanges as both the paradigm of efficiency securing maximum aggregate welfare and grounded in an idea of economic liberty. In this context, 'social rights' are perceived as both inefficient, when they are delivered in the form of public services, and 'unjust' because they entail a restriction on private property rights and the liberties they embody. In effect, what is proposed is a reorganization of the citizenship complex around an austere concept of simple freedom expressed through ownership, including that of self-ownership (Tomasi 2012).

As should be expected of a 'dismantling' of the citizenship complex on the foregoing analysis, this is also directed at the nature of the corporation itself. Whereas the 'professional manager' had been identified as responsible to multiple stakeholders, under a neo-liberal conception, there is only one stakeholder – those with private property rights in the organization – and one objective, to maximize profit through sale to those who take ownership of products through exchange contracts. Here, the issue is how to maximize shareholder value and marketise the internal transactions of the corporation. One way in which this is done is by redefining what is 'core' business and by disposing of activities via 'outsourcing', as well as by redefining the labour contract. Indeed, the latter is also frequently achieved by outsourcing. Where 'social rights' associated with employment citizenship were associated with the 'upgrading' of labour and overcoming a division between secondary and primary labour markets, by extending the attributes of the latter across the labour market, the re-definition of the labour contract upholds employers' rights over those of employees.¹² In effect, this is a process of reducing the terms of the labour contract for all workers, except those in privileged positions, generalizing the characteristics of the secondary labour market to include jobs that were previously outside it.

In effect, there is a polarization of jobs, which, paradoxically, has gone hand in hand with the maintenance of demand for higher education. At the same time, the growth in 'privileged' jobs has not kept up with the number of graduates, but the anxieties created by changing labour market conditions maintains pressure to secure formal qualifications which, if they will not guarantee advantaged employment, at least provide the best opportunity of avoiding disadvantaged employment (Meister 2011; Brown et al 2011).

With the increase in inequalities has also come pressure for a reduction in taxation on high earners and a concern to target benefits on those who are most in need. Indeed, this is central to the neo-liberal construction of public policy and is increasingly evident in higher education. For example, where arguments about distributive justice were classically associated with the amelioration of inequality and the articulation of social rights, they have taken on a new form in the context of higher education, where they are brought into play as consequent upon widening

¹² Including in the UK, the expansion of 'zero-hours' contracts in which employees must be on call, but with no guarantee of work hours.

inequalities. Students should pay, it is increasingly argued, because they are potential beneficiaries; and education is to be encouraged because it contributes to an economy of high earners, albeit an economy of widening inequality.

Thus, public funding of higher education at state universities has declined in the US and has increasingly been replaced by student fees, which, in turn have grown significantly, not simply to replace lost funding, but as a means of expanding university revenues (Meister 2011). Similar developments have occurred in the UK, albeit with a more recent origin and more decisive effect. In the UK, the recent dramatic reduction in direct public funding (by a factor of 82%) shifts the cost from current tax-payers to students via a system of debt-financing in which universities increase their revenues at the cost of the students they teach, a process of financialisation that began earlier in the US (Meister 2011), and which has had earlier analogues in other sectors (Krippner 2011).¹³

At the same time as the system encourages spiralling tuition costs and a perceived reduction in teaching quality,¹⁴ it dramatically increases individual indebtedness. As Meister puts it, in his discussion of public education in California, “the core assumption of privatization-as-financialization is that rising income inequality increases the fear of falling behind and thus the willingness of middle class students to borrow more. If this reasoning is correct, ... students should be indifferent to the choice between paying for the education premium up front (as equity) or taking on debt—higher tuition would simply move some students further up what financial economists call the ‘efficient frontier’ between being an investor and being a borrower. ... By following the logic of financialization, [universities] could theoretically raise revenues from enrolment growth for as long as [students] were more willing to incur debt than to pay higher taxes.” (2011: 134). Although, in fact, it is better expressed in terms of existing taxpayers preferring that future generations of students incur debt, since most taxpayers were beneficiaries of a different ‘contract’ between taxpayers and graduates.¹⁵ In other words, the dismantling of the ‘citizenship complex’ entails new issues of inter-generational justice.

At the same time, fear of debt coupled with a perceived lowering of returns to a degree, encourages prospective students, especially those from lower income backgrounds, to enroll at lower cost for-profit providers, and, of course, this is the intention. The majority of universities become squeezed between for-profit providers and more elite universities. Students from low income backgrounds end up

¹³ For a discussion of financialisation in UK higher education, see McGettigan (2013).

¹⁴ The latter is not established by evidence but becomes part of the rhetoric surrounding interventions. For example, the UK Government White Paper, (Department of Business Innovation and Science 2016) argues for the necessity of a Teaching Excellence Framework to address teaching quality and also as a means of determining future fee increases.

¹⁵ This is especially evident in the UK where no fees were charged to students prior to 1998 and then were charged alongside direct public funding.

paying more for degrees, which will do little to advance their social mobility. Students at more elite universities are willing to pay significantly higher fees once education becomes a 'positional good' that provides greater chances of getting one of a reduced number of graduate jobs. Equally, they are interested in investments in the student experience that reproduce the facilities associated with high status lifestyles.

In the US and the UK, alike, these developments are justified by a re-configuration of students as consumers in a market for education, where they are to make judgments about investment in their human capital in the light of labour market opportunities. In this way, it is proposed that the market should be allowed to determine the shape of the university, the nature of the courses it offers, and, will better align those courses with labour market requirements. In addition, market competition will re-shape universities as organisations and will also reduce 'inefficiencies', allowing price competition to put downward pressure on student fees while extending the range of fees across the sector enabling elite universities to increase their fees.¹⁶

¹⁶ Fees in England are currently capped at £9000, with Vice Chancellors lobbying for that cap to be lifted (in line with the 'market-based' fees charged to non-EU students).

Bibliography:

Barber, Michael, Donnelly, Katelyn and Rizvi, Saad. 2013. *An Avalanche is Coming: Higher Education and the Revolution Ahead*. London: IPPR.
<http://www.ippr.org/publications/an-avalanche-is-coming-higher-education-and-the-revolution-ahead>

Bartzell, Yoram. 1989. *The Economics of Property Rights*. New York, NY: Cambridge University Press.

Barzelay, Michael. 2000. *The New Public Management: Improving Research and Policy Dialogue*, Berkeley, CA: University of California Press.

Berman, Elizabeth Popp. 2012. *Creating the Market University: How Academic Science Became an Economic Engine*. Princeton, NJ: Princeton University Press.

Brick, Howard. 2006. *Transcending Capitalism: Visions of a New Society in Modern American Thought*, Ithaca, NY: Cornell University Press

Brown, Phillip, Lauder, Hugh and Ashton, David. 2011. *The Global Auction: The Broken Promises of Education, Jobs and Incomes*. Oxford: Oxford University Press.

Collins, Randall. 1979. *The Credential Society: An Historical Sociology of Education and Stratification*. New York, NY: Academic Press.

Department for Business

Dunleavy, Patrick, Margetts, Helen, Bastow, Simon and Tinkler, Jane. 2006. 'New Public Management is Dead: Long Live Digital Era Governance', *Journal of Public Administration Research and Theory*, 16(3): 467-494.

Dunleavy, Patrick, and Hood, Christopher. 1993. 'From Old Public Administration to New Public Management', *Public Money and Management*, 14(1): 9–16.

Eggertsson, Thrainn. 1990. *Economic Behavior and Institutions*. Cambridge: Cambridge University Press

Friedman, Milton. 1962. *Capitalism and Freedom*. Chicago, IL: University of Chicago Press.

Ginsberg, Benjamin. 2011. *The Fall of the Faculty: The Rise of the All-Administrative University and Why it Matters*. New York, NY: Oxford University Press. 2011

Habermas, Jürgen. 1996. *Between Facts and Norms*. Cambridge: Polity Press.

Habermas, Jürgen. 1989. *The Structural Transformation of the Public Sphere: An Inquiry into a Category of Bourgeois Society* (with an introduction by Thomas McCarthy). Cambridge, MA: MIT Press.

Habermas, Jürgen. 1975. *Legitimation Crisis*. Boston, MA: Beacon Press.

Habermas, Jürgen. 1970. *Toward a Rational Society: Student Protest, Science, and Politics*. Boston, MA: Beacon Press.

Harrison, Bennett and Bluestone, Barry. 1988. *The Great U-Turn*. New York, NY: Basic Books.

Honneth, Axel. 2014. *Freedom's Right: The Social Foundations of democratic Life*. Cambridge: Polity.

Kennedy, Michael D. 2015. *Globalizing Knowledge: Intellectuals, Universities and Publics in Transformation*. Stanford, CA: Stanford University Press.

Kerr, Clark. 2001. *The Uses of the University*. Harvard, MA: Harvard University Press

Krippner, Greta, R. 2011. *Capitalizing on Crisis: The Political Origins of the Rise of Finance*. Cambridge, MA: Harvard University Press.

Kuznets, Simon. 1953. *Shares of Upper Income Groups in Income and Savings*, Cambridge, MA: National Bureau of Economic Research.

-
- Lane, Jan-Erik. 2000. *New Public Management*. London: Routledge.
- Lockwood, David. 1996. 'Civic Integration and Class Formation'. *British Journal of sociology*, 47(3): 531-50.
- Marshall, T.H. 1950a 'Citizenship and Social Class' in *Citizenship and Social Class: And Other Essays*, Cambridge: Cambridge University Press.
- Marshall, T.H. 1950b 'The Recent History of Professionalism in relation to Social Structure and Social Policy' in *Citizenship and Social Class: And Other Essays*, Cambridge: Cambridge University Press.
- McGettigan, Andrew. 2013. *The Great University Gamble: Money, Markets and the Future of Higher Education*. London: Pluto Press.
- Mayhew, Leon H. 1997. *The New Public: Professional Communication and the Means of Social Influence*. Cambridge: Cambridge University press.
- Meister, Bob. 2011. 'Debt and Taxes: Can the Financial Industry Save Public Universities?' *Representations*, 116(1): 128-55.
- Mirowski, Philip. 2011. *Science-Mart: Privatizing American Sciences*. Cambridge, MA: Harvard University press.
- Nelson, Adam R. and Wie, Ian P. (eds). 2012 *The Global University: Past, Present and Future Perspectives*. Basingstoke: Palgrave Macmillan.
- Nussbaum, Martha. 2010. *Not For Profit: Why Democracy Needs the Humanities*. Princeton, New Jersey: Princeton University Press.
- Paradeise, Catherine, Reale, Emanuela and Bleiklie, Ivar. 2009. *University Governance: Western European Comparative Perspectives*, Dordrecht: Springer.
- Parsons, Talcott. 1971. *The System of Modern Societies*. Englewood Cliffs, NJ: Prentice-Hall.
- Parsons, Talcott and Platt, Gerald, M. 1975. *The American University*. Cambridge, MA: Harvard University Press.
- Piketty, Thomas. 2014. *Capital in the Twenty-First Century*. Cambridge, MA: the Belknap Press.
- Radder, Hans. (ed). 2010. *The Commodification of Academic Research*. Pittsburgh, PA: University of Pittsburgh Press.

Rawls, John. 1993. *Political Liberalism*. New York, NY: Columbia University Press.

Robbins Report. 1963. *Higher Education: Report of the Committee Appointed by the Prime Minister under the Chairmanship of Lord Robbins 1961-63*. Cmnd 2154, HMSO.

Tomasi, John. 2012. *Free Market Fairness*. Princeton, NJ: Princeton University Press.

Turner, Ralph H. 1960. 'Sponsored and Contest Mobility and the School System'. *American Sociological Review*, 25(6): 855–867.

Universities UK (2014) 'International Students in Higher Education: The UK and its Competition', series on *The Funding Environment for Universities 2014*, Report 4. London: Universities UK. Available at:
http://www.universitiesuk.ac.uk/highereducation/Pages/InternationalStudentsInUKHE.aspx#.VM_iiS7scel

The University, Democracy and the Public Sphere

John Holmwood
University of Nottingham

John Holmwood is Professor of Sociology in the School of Sociology and Social Policy at the University of Nottingham. During academic year 2014-15 he was a member at the Institute for Advanced Study in Princeton. He is editor of *A Manifesto for the Public University* (Bloomsbury 2011) and articles on pragmatism and sociology.

Acknowledgements: Thanks to Gurminder K Bhambra for her comments and to other colleagues in the egalitarianisms programme at the Institute for Advanced Study, Princeton.

Self-references removed from text:

Page 3: Holmwood and Bhambra 2012. Holmwood, John, and Bhambra, Gurminder. K. 2012. 'The Attack on Education as a Social Right'. *South Atlantic Quarterly*, 111(2): 392–401.

At the same time, the internal organization of the university is reconfigured. The new competitive market in which higher education is located encourages hierarchical management, a decline of collegial organization and the 'de-professionalisation' of faculty. 'Shareholder value' enters directly in terms of the entry of for-profit providers, and indirectly through the 'outsourcing' of services to private, for-profit companies offering security, estate or administrative services, usually by reducing terms of employment, making low paid and disadvantaged employment a feature of the university. This is done in the name of enhancing student value, while leveraging those students for revenue. Increasingly, it is extended to the idea of 'unbundling' the functions of the university through the use of new technologies (Barber et al 2013), especially the provision of online courses provided by faculty at one university to be taught by adjuncts at another. In this way, the university is not merely part of a wider system of inequality, it becomes a microcosm of that inequality. The university as a 'corporate' entity in the early twenty-first century is radically different to the corporate university that emerged in the middle of the twentieth.

Conclusion

In effect, a new system of higher education is emerging. Its characteristics are less clear in the United States because the nature of the transitions have been more

Page 6: Holmwood 2009 Holmwood, John. 2009. 'From 1968 to 1951: How Habermas transformed Marx into Parsons' in G.K. Bhambra and I. Demir (eds) *1968 in Retrospect: History, Theory, Alterity*. Basingstoke: Palgrave.

Page 7 Holmwood 2000 Holmwood, John. 2000 'Three pillars of welfare state theory: T.H. Marshall, Karl Polanyi, Alva Myrdal in defence of the "national" welfare state' *European Journal of Social Theory* 3(1):23-50.

Page 13: Holmwood 2014 Holmwood, John. 2014. 'From social rights to the market: neo-liberalism and the knowledge economy'. *International Journal of Lifelong Learning*, 33(1).

Page 14: Holmwood 2011 Holmwood, John. 2011. 'The Idea of a Public University', in John Holmwood (ed.), *A Manifesto for the Public University*. London: Bloomsbury Academic.

Footnote 1: Holmwood 2011

Footnote 5: Holmwood 2014

Footnote 11: Holmwood 2012 Holmwood, John. 2012. 'Book Review: Benjamin Ginsberg, *The Fall of the Faculty: The Rise of the All-Administrative University and Why it Matters*', *Sociologica: Italian Journal of Sociology* Issue 2: 201

gradual and it has never adopted a full system of public higher education as was the case in the UK up until 2010. In part, this article has used the English case as the empirical grounding of an 'ideal type' of public higher education and its functions to show the sociological (and social) significance of the emergence of what, elsewhere (Author A 2014), I have called a neo-liberal knowledge regime. However, it has been significant that the idea that higher education had been absorbed into a 'citizenship' complex in which it functioned both to serve democracy and to define key attributes of a societal community organized through 'associationalism' is largely derived from sociological reflection upon US experience.

For the most part, commentaries on a recently identified crisis of the university, such as those of Nussbaum (2010) or Ginsberg (2011), have been conducted from the perspective of elite, research universities, where the tide of change has been perceived as lapping at the edges, rather than threatening to engulf them. But, if the analysis here is correct, the protection offered to the research university – a continued concentration of research funding, high faculty salaries and reinforced role in elite social reproduction - is at the cost of its role in a citizenship complex. Then the public university will truly be replaced by a university at the service of private interests, albeit differentiated from institutions to which functions of vocational training, pacification and the wider reproduction of inequality are devolved.

Public reason in a democratic society requires more than an effective system of higher education at the service of democratic knowledge, but that is at least one of its conditions (Author A 2011). We can see this is so as soon as we understand that the marketization of the university replaces dialogic reasoning with market choices and market means of aggregating information. It is vital that we apply sociological understanding to the practices and functions of knowledge production including the universities in which most sociologists are located.

