
The economistic university: a brave new paradigm?

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ABSTRACT

According to economistic thinkers a paradigm shift in the idea of the university towards the notion of an entrepreneurial university should take place. Their idea is that this transformation should be a cumulative process with the entrepreneurial motive an addendum to the already established teaching and research functions of universities. It will be argued in this paper that the projected transformation is probably more radical; that the aim is to change the foundations of the university with an economistic emphasis leading the functioning of universities. This raises the question: how should we evaluate an outlook for universities preoccupied with their economic side? The claim will be that this introduces an obsession that will harm the university as institution. For instance, "iron cage" instrumentalist interpretations of economic values like "efficiency", make their appearance as the new but reductionist foundations of a functioning university. This can have the effect of changing practices at universities to imitate those of a business. This change is, moreover, not only aimed at the internal structure and functioning of universities, but more so at transforming universities into corporate players, converting students and lecturers into clients and entrepreneurs, and knowledge into an economic commodity. The alarming consequence of this reductionism could be that universities will be deprived of the ability to "think the universe". Not everybody is therefore convinced that these proposed economistic changes can be harmonised with the established tasks of teaching and research and that the anticipated transformation will confirm a progressive new paradigm for the idea of the university.

1. PREAMBLE

The current situation of universities is globally, and also in South Africa, characterised by the blurring of borders between industry and academia. It is argued by economic thinkers that academics should assume an entrepreneurial attitude, that reference to academics should be changed to “human capital”, and reference to “students” to calling them “clients”. The “typical task” of universities should be changed into their “core business” and that they should become “corporate players” that deal with “knowledge as commodity”. This raises the question: are these economically coloured concept changes merely an innocent fad, or a brave new paradigm?

If one scratches the surface, there seems reason for concern. In the minutes of a recent security services meeting about the lack of parking space on my university campus, it was suggested that staff members should take into consideration that students are “clients” of the university and therefore should get preference when parking space is allocated in certain central parts of campus. Would this kind of claim have been made if students were seen as fellow members of an academic community?

The economic way of thinking also makes inroads in the way we think about academics. On my university campus it has become practice to translate the public participation of academics in the popular press and the public sharing of knowledge into monetary terms. The activities of academics as public intellectuals are given a tag of being worth an “X” amount of money. This raises the question: will this happen if the role of public intellectual is seen as part of the normal tasks of a university professor? At my university, as is the case at many other universities, the former “Personnel Section” was renamed “Human Capital” or “Human Resources”. The subdivision that works directly with personnel was renamed “Human Capital Client Services”. The latter division proclaims, in terms that express its economic roots, that its “mission is to ensure that all Human Capital related enquiries are dealt with in an effective, efficient and timely manner to ensure the delivery of zero defect Human Capital administration and services”. Within this name change and motivation for functioning (take special note of the concept “efficient”) is reflected much of the economicisation that might be expected from all university sections in future.

Ironically even business people question this kind of reductionist thinking. It is reported that Mark Cutifani, chief executive of Anglo-Gold Ashanti expressed “distaste for

the popular lexicon that has turned people into assets” or “human capital” (Gleason, Nkomo & Dejongh 2011:96). The suggestion behind his critique is that if one has a non-reductionist approach to the welfare of employees, this will automatically translate into people who are also better employees.¹ This would require a move in the opposite direction than that prescribed by the above mentioned “Human Capital Client Services” mission. Analogously, if it becomes practice to treat academics in a reductionist way as human capital that should produce knowledge in an “effective, efficient and timeous” way, it is probable that the opposite outcome will be achieved.

A possible counter-argument to lamenting this way of thinking can be that values like “efficiency” have always been “the fundamental and historical operations of a tertiary institution ... A university is meant to be efficient, it is competitive with its rival institutions but friendly so, it does have to make ‘turn-over’ which gets fed back into the running and upkeep of the institution, much like a non-profit NGO ... So, what is the problem?”² This article agrees that efficiency can be a part of the normal economic functioning of a university. However, it will also – and more so – argue that the economic dimension of a university should not be the *core function* of this kind of institution. If efficiency is cast in the latter frame, these values indeed become more malignant than a first glance will reveal.

This implies that a non-reductionist approach will be followed when the economic paradigm, which gives an essential economic nature to universities, is explored and criticised in this article. In other words, the focus will be on a reconstruction and evaluation of the contention that the economic transformation of universities establishes a progressive new paradigm describing what universities are for.

2. UNDERSTANDING THE ECONOMIC UNIVERSITY

The aim of this paper is to bring the economic perspective on universities into better focus with a reconnaissance and critique of the idea that we are living through a paradigm revolution of what a university should be. To put this objective in context it is necessary to

¹ It is reported that Cutifani emulates Herb Kelleher, the legendary former CEO of Southwest Airlines who won numerous awards for the airline with “the best on-time record, the best baggage handling, and fewest customer complaints. There was no human resources department at Southwest Airlines. Instead, there was a People Department entrusted with making sure Southwest Airlines was a wonderful place to work” (Gleason et al 2011:96).

² This is a counter-argument posed by one of the reviewers of this article.

define and explain three key conditional concepts in this objective, namely “university”, “economism” and “paradigm revolution”.

A first condition to understand the idea of the economic university would be to get clarity about the typifying traits of a university. Collini (2012) examines this by asking: “What are universities for?” In non-reductionist manner Collini (2012: location 33-48) points out that this kind of question usually “turns out to be asking for trouble” because one runs the danger of shrinking something complex to “a single, narrow purpose”. He solves this problem by stating his tactic as “brooding on the diversity that may shelter under a single term, pondering a series of characterizations or historical instances rather than seeking a single defining proposition”. Collini (2012: location 50) quotes Keynes who asked “what is economics for” to remind people that “the pursuit of wealth was not an end in itself but a means to living ‘wisely, agreeably, and well’ ”. Collini (2012: location 51-53,58-61) applies this answer to universities and argues that “any discussion of the place of universities in contemporary society will inevitably be driven to articulate, in however rudimentary terms, some sense of human purposes beyond that of accumulating wealth”. He agrees that one should not “underestimate the expense of these institutions or presume that there is some God-given right for them to be lavishly funded”. He nevertheless emphasises that if one tries to make the case for the value and importance of universities, it should be made in terms that “are not chiefly, and certainly not exclusively economic”.

The appropriate terms, Collini (2012: location 61&177) says, are in the first place “intellectual, educational, scientific”. To the description “educational” he adds that it “signals something more than professional training” and to “scientific” that it “is not wholly dictated by the [instrumentalist] need to solve immediate practical problems”. He also includes the original idea of the university namely that knowledge should be “pursued in more than just one single discipline or very tightly defined cluster of disciplines” and that universities should enjoy “some form of institutional autonomy as far as its intellectual activities are concerned”. He nevertheless concurs that universities also have a cultural task and that they should be seen as a public good. How can one make sense of Collini’s subtle but complicated view of the nature of universities? Venter (1978:35-36) identifies three (historically developed) perspectives on the task of a university: (1) education in a totalitarian sense, that is, to mould the whole life of a person, (2) service to society and (3)

strict scientific training.³ Collini's recognition of professional, practical, cultural and public functions for universities displays something of (1) and (2). It is nevertheless clear that (3) receives the substantial weight in his thinking.

For the purposes of this article, it will be assumed that at least the practices of teaching and research belong to the core typifying tasks of a university. This perspective seems to coincide with (3) but also recognises the moulding function and a responsibility to contribute well-educated people to society. Therefore, care should be taken not to dwindle into ivory tower reductionism, which focuses so exclusively on the scientific task that tertiary education disengages from the people (students and society) who are affected by the teaching and research done at universities. It is nevertheless also important not to elevate the totalitarian perspective on education, which is to mould the whole life of a person – as if this can save humanity.

The main focus below, however, is against a certain strand in current thinking that reduces tertiary education to the instrumentalist task of primarily serving the economy.

A second transcendental to understand the economistic university, is the concept of economism. The identifying traits of economism are the high degree of (1) reductionism and (2) absolutism it embraces. These traits are recognised in dictionary definitions, which describe economism as “the belief in the primacy of economic causes or factors” (Oxford Dictionary of English) or “economics as the main factor in society, ignoring or reducing to simplistic economic terms other factors such as culture, nationality etc.” (Collins English Dictionary). The label of economism is equally valid for a neo-liberal approach as well as the Marxist approach. The latter is based on the claim that cultural forms (like universities) are “superstructural elements that reflect a determinant economic base” (Readings 1996:108). In this article the focus will fall on the neo-liberal version of economism.

The idea of the economistic university in the neo-liberal sense gets nowhere better in focus than in the words of foremost economistic thinker about the university, Henry Etzkowitz (2004:65), who emphasises that the “capitalisation of knowledge” will be “the heart of a new mission for the university, linking universities more tightly to users of knowledge and establishing the university as an economic actor in its own right”. Yusuf (2007:21) also claims that if making a profit and innovation are the main drivers of

³ Van der Walt (2013:9) thinks that (2) reflects generally the North American and African perspective while (3) will usually be the perspective that is accepted on the European continent.

economic growth, “universities could emerge as the most dynamic transnational entities and a commercial force in their own right”. The foundational belief that changed according to this narration is the assumption of an economic role for universities, which is located in the centre of the functioning of universities, and with it probably also a suggestion that this role should be seen in a totalitarian sense.

The latter becomes clearer when Harvard philosopher Michael Sandel (2012:5-6) takes aim at neo-liberal economism (he calls it “market triumphalism”). He observes that “over the past three decades, markets – and market values – have come to govern our lives as never before” because “no other mechanism for organizing the production and distribution of goods had proved as successful at generating affluence and prosperity”. But this comes at a price he argues: economics is becoming an “imperial domain”. Currently, the “logic of buying and selling no longer applies to material goods alone but increasingly governs the whole of life”. The accusation of absolutism and reductionism in this insight of Sandel will get foremost attention in this article.

A third antecedent for understanding the broader context of current proposals to transform universities into corporate players is the concept of a paradigm revolution. According to *The Cambridge Dictionary of Philosophy* (2005:641-642) and the *Encyclopedie van de Filosofie* (2007:401) the concepts “paradigm” and “paradigm revolution” were made popular by Thomas Kuhn in his book *The structure of scientific revolutions* (1962) in which he argues that a paradigm is “a set of scientific and metaphysical beliefs that make up a theoretical framework”, or “a priori assumptions about the structure of the object of investigation in some scientific discipline”. Kuhn reacted to the positivist assumption that progress in knowledge is part of “an ongoing smooth and cumulative process in which empirical facts ... forced revisions in our theories and thus added to our ever-increasing knowledge of the world”. Kuhn argued that this is not what actually occurs but that change happens in revolutions where existing paradigms are rejected and “replaced by a framework incompatible or even incommensurate with it”. In the process the so-called facts that were referred to as support for the paradigm or set of beliefs about the object of investigation “become irrelevant to the new”.

Economistic thinkers about the university, like Etzkowitz and Yusuf, suggest that the idea of a revolution can be used to explain what happened to universities. Their idea of a revolution is however, not that of Kuhn but rather coincides with that of the positivists. This

economistic version of the history of revolutions about the university is described as follows by Yusuf (2007:1-4): Universities were for almost six hundred years institutions that merely trained professionals like attorneys, clerics, and medical doctors. But when in 1810 Wilhelm von Humboldt, the founder of the University of Berlin, made research an important addition to the teaching function, the first major paradigm change since the creation of the university as institution took place. Until the late nineteenth century, most technological advances (applied science) were made by industries. For the first half of the twentieth century still only a very small number of universities were involved in research and technology development. It was only after World War II that technology development and the role of universities in this boomed. The United States government gave substantial state funding for research, funding almost equalled by the private business sector in order to stimulate the American economy. To enable this change a distinction between “teaching”, “basic research” and “applied science” is important for economistic thinkers because the addition of the latter is the core of what is seen as the current paradigm shift. According to Yusuf this development can be seen as an indication that we are now experiencing a second large paradigm shift in the history of the university – about which he concludes that the “evolving links between the university and the business sector are becoming a major focus of policy”.

Central to the Kuhnian concept of a paradigm revolution would be a radical change in beliefs about what a university is. Yusuf’s self-interpretation seems to rather suggest merely a cumulative and progressive process of revisions to our view of the university and not a radical change of foundational assumptions. Another proponent of the economistic university, Crow (2008:2-3) claims that the current transformation will amount to universities becoming “entrepreneurial institutions”. He too talks about the “evolutionary trajectory of universities” and argues that “it will be committed to the traditional missions of teaching, research, and public service, but in addition will advance innovation and entrepreneurship”. Etzkowitz, Webster, Gebhardt and Cantisano Terra (2000:315) also suggest the cumulative view that “universities must undergo a first academic revolution namely the incorporation of research as an academic mission”. They must then proceed with a second revolution, this being “the assumption of a role in economic development through extensions of both their research and teaching missions”. Etzkowitz (2004:65,76), in metaphysical mood, even claims that the economisation of the university “is a result of the working out of an ‘inner logic’ of academic development”. He argues that the academic enterprise is expanded

“from a conservator to an originator of knowledge”. The core of the first revolution is the addition of research to the teaching task of the university. The economisation of universities will be a second addition to this central task of the university. Etzkowitz (2004) argues that this second addition (he labels it a “revolution”) “is an efflorescence of embryonic characteristics that exist potentially in any academic enterprise”.

It will be the objective of this paper to question the impression that adding an entrepreneurial task to the university is a mere cumulative episode in the historical development of the idea of the university. It can be acknowledged, on the one hand, that the addition of applied and technical research as well as the commercialisation of some knowledge can be, within limits, indeed a mere evolvement of the established idea of the university. On the other hand – and this will be the focus of this study – is the sense that the change proposed by economic thinkers rather resembles the Kuhnian idea of a change of the foundational beliefs about what a university is. To this will be added that this change of basic ideas may not be for the better as the cumulative notion suggests, but that it will most probably be a reductionist move that might leave us with a poorer view of the university.

3. THE UNIVERSITY AS INDUSTRY

Economic thinkers indicate that they merely argue for an economic add-on to previous functions of the university. However, the sense is that the change they foresee amounts to a Kuhnian paradigm revolution that will alter the functioning and core relationships of universities. This change can be sensed in (1) the self image of universities about their identity and internal functioning; (2) new visions of the relationship of universities with their broader society; and (3) the identity of and relationship with the people who belong to a university community.

Economic thinker Jochen Röpke (1998:2-3) argues for instance that the entrepreneurial university should mean three things: (1) the university as organisation should become entrepreneurial; (2) the interaction between university and environment should follow entrepreneurial patterns; and (3) staff and students should turn themselves into entrepreneurs. He adds that “all three together are necessary and sufficient conditions to make a university ‘entrepreneurial’”. With this he means that to change university personnel into entrepreneurs the change of universities into entrepreneurial organisations is

presupposed, and to accomplish the entrepreneurial interaction between university and environment entrepreneurial personnel is an essential condition. One can infer that Röpke foresees a transformation that is not piecemeal and pragmatic but a systematic and comprehensive transformation that starts with radical new beliefs about the foundations of the university.

South African economist Sampie Terreblanche (2013) also identifies these tendencies in current thinking about the transformation of universities but is less positive about them and thus cautions against (1) the corporatisation of universities as well as (2) the commercialisation and professionalisation of university education. He warns that (3) precisely that which economic thinkers find attractive in universities – namely its ethos of enabling students with supple, critical, outstanding, open-minded and adventurous thinking in order to master an uncertain future – are threatened by (1) and (2).

Indications of a changing perspective on (1) are visible in the way economic thinkers imagine the internal processes of universities. Universities should become commercial service providers and should therefore adopt managerial processes appropriate for an industry. Crow (2008:16), from an economic point of view, goes even as far as to say that a “principle characteristic of great universities is that not one of these institutions conceives of itself as ... a corporation ... All of them have emerged as enterprises”. Crow does not elaborate on this but the implication is clear, he wants to manage a university like a business enterprise.

Economic thinkers usually anticipate the change from a cooperative system of administration to “managing a university”; therefore implying that a business oriented direction should be given to the governing of universities. It is argued that the older “self-government via committees” where “every group affiliated with the university is represented”, is “outdated” because it causes an “unacceptable inefficiency”. The older model assumes “endless council debates and committee sessions” with “ever fewer individuals willing to take an active role” in these events. With the “entrepreneurial system” it is hoped that “a ‘more efficiently’ organized university” will make its appearance (Liesner 2006:484-485).

The emphasis on efficiency may seem innocent but it provides a good case study on how an economic interpretation transforms economic values also valid for non-economic institutions like universities into something more malignant. Charles Taylor (2003:5) argues

that the use of “efficiency” should be seen against the background of modern instrumentalism.

The identifying trait of instrumentalism is the idea that the “most economical application of means to a given end” should be calculated. The “measure of success” according to this kind of rationality is “maximum efficiency, the best cost-output ratio”.⁴ In this norm is the potential for a widespread modern malaise namely that the norm of “efficiency” or “cost-benefit analysis” also determines things that ought to be determined by other concerns. It can for instance be mentioned that “the demands of economic growth are used to justify very unequal distributions of wealth” (Taylor 2003:4-6). Sandel (2012:7) also points out that “market-oriented thinking” now reaches into dimensions of our lives that were “traditionally governed by nonmarket norms”. This can be seen in for instance the “proliferation of for-profit schools, hospitals, and prisons, and the outsourcing of war to private military contractors” – and one may add, the current obsession to create “efficient” universities.

Efficiency is increasingly seen as a value for universities that should direct not only the way universities are governed (as reported above), but according to Ten Hooven (2013) it also propagates the market logic of “as high as possible return” on “as low as possible investment”, which in university terms translates into the idea of getting as many students as possible to obtain a diploma in the minimum of time. This, he says, cannot be done without very strict control measures to wrench as much out of the university as an organisation, as is possible. A sinister example of this value (control for better efficiency) Ten Hooven observes in the way the Free University in Amsterdam is currently experimenting with office space. According to this model, lecturers do not get offices. What they get is flexi-space (that is a temporary place at a desk) in a transparent work space for lecturers. This place is shared with others which means that your desk must be clean when you leave it, that is the so-called “clean desk policy”.

Lecturers at the Free University interpret management’s fascination with efficiency (and transparency) as simply an urge to have better control over lecturers (Ten Hooven 2013). The implementation of “efficiency” as core economic value is indeed an issue of

⁴ The concept of “rational choice” indicates the same phenomenon and according to Vale (2011:28) it underpins “modern economics”. “Rational” in this label refers to the practice where “given a set of values and beliefs, they calculate the relative costs and benefits of alternative actions and, from these calculations, make a choice that maximises their expected utility”. “Rational choice” did not remain within modern economics but migrated to also “discipline” other areas of life.

freedom. Taylor (2003:7-8) warns that it is in our age a powerful mechanism that takes liberties from us. It forces us to “adopt a maximizing strategy” although we know that it could be destructive or that it is “against humanity and good sense”. Taylor uses Max Weber’s “evocative term” of the “iron cage” to describe a sense of helplessness people experience in the face of this measure.

“Iron cage” thinking indeed underlies the idea of the entrepreneurial university. Deem (2004:293) describes the latter concept as a pressuring tool to get universities to change their curricula, modify their faculties and increasingly introduce expensive equipment in order to devise “new, more effective and efficient ways of doing things (e.g. teaching larger numbers of students through distance and flexible learning) and the setting up of new organisational forms (e.g. inter-disciplinary research centres which work closely with industry)”. This search for efficiency also includes a very large emphasis on the role of managers to effectively manage the budgets of departments and centres.

Lynch (2006:6) observes that what Deem describes, implies that there is a worldwide attempt to transform the role universities play in society. They are forced to change from “being a centre of learning to being a business organisation with productivity targets”. The first steps in this attempted revolution, she says, are to change the focus of universities from the academic to the operational. The latter change encodes “almost without reflection” the commercial values of efficiency, productivity and excellence in the core of the systems and processes of universities.

The same economistic procedure – as is the case with efficiency – of investing concepts like “productivity” with a reductionist economistic value can be discerned. Deem’s (2007:291) description of the immediate effect of this emphasis on productivity is illuminating and academics globally will recognise much of it in their own institutions:

... organisational changes ... include the use of internal cost centres within a single organisation, an emphasis on competition between cost centres and on the formation of internal markets (for example, academic cost centres might be asked to pay for internally provided laboratory space or information technology services), the encouragement of team working, the introduction of targets and the (sometimes) intrusive monitoring of efficiency and effectiveness.

The growing obsession with measurement is done to “fend off politically motivated cost-reducing measures” and gives rise to “competitiveness profiles, rankings or even a satisfaction barometer” (Liesner 2006:486-487). Indeed, “the most powerful indicator that market values have been incorporated into the university sector” is the “move to create global league tables for universities”. This becomes immediately clear when the criteria for most of these rankings are taken into consideration. High marks are given for excellence in chemistry, physics, medicine, economics, mathematics and some social sciences. The arts and humanities are usually excluded. This bias is because “the focus is on developing a skilled work force for the economy” with a very small and even no role at all for universities in the development of the civil, political, social and cultural institutions of society (Lynch 2006:5-6). Once again, as is the case with “efficiency”, the result of the reinterpretation of “productivity” in exclusively economic terms implies that issues with seemingly no economic value are left out of the picture.

The transformation of universities into efficient and productive units according to an economic paradigm is, however, not only aimed at the internal functioning of universities, but also directed at their interaction with social, cultural and natural environments. It is foreseen that universities should become “service providers”.⁵ Critics see behind this metaphor and on a deeper level, they notice the belief that universities should function according to the principles of the market. These principles are usually designed to instil a culture of “care about customers” and “competitiveness” with behind it the principle that “the free-market rewards those prepared to excel” (Liesner 2006:486-487). To understand this outward orientation it is necessary to introduce the “market principle” of “making a profit” as describing the primary aim of universities in broader society.

What would be wrong if the latter emphasis is made? Sandel (2012:9-10) argues that “economists often assume that markets are inert, that they do not affect the goods they exchange”. “But this is untrue”, he says, “market values crowd out nonmarket values worth caring about”. He explains this with the example of the concept “commodities”, which can be defined as “instruments of profit and use”. When we see things as goods that we can buy and sell, “we decide, at least implicitly, that it is appropriate to treat them as commodities”. However, not everything can be treated as a commodity. Human beings are

⁵ Lynch (2006:3) refers to the “neo-liberal model” that “treats education as just another service to be delivered on the market to those who can afford to buy it”.

the most obvious example; slavery is wrong because it treats human beings as commodities, that is “as instruments of gain and objects of use”. In the same vein it can be argued that the commodification of universities according to the economistic vision, intends to turn humans into instruments of profit and use. In other words, the aim is much more than merely to make a profit in order to make a university viable to conduct its academic function. The economistic perspective sees universities as industries that should create wealth for its shareholders.

It is therefore illustrative to observe that economistic thinkers such as Etzkowitz et al (2000:315) argue that four inter-related changes should take place to effectuate this commodification of universities. Firstly the “assumption of an economic development mission by universities” should be adopted. This “development mission” is the first and crucial step in the direction of assigning universities a major outward economic task. Secondly, states, universities and businesses should collectively bring about transformations that advance the idea of an entrepreneurial university. An important example of the latter is to revise the rules of intellectual property in order for universities to become the owners of such property. Thirdly, an “overlay of trilateral linkages, networks, and organizations” between states, businesses and universities has to be created in order to “institutionalize and reproduce interface as well as stimulate organizational creativity and regional cohesiveness”. Etzkowitz et al (2000) probably have in mind the phenomenon of university centres and academics with broad business and government connections and networks that can liaise between universities, businesses and governments. Fourthly, states, businesses and universities should be represented on each other’s “originating spheres”.

Economistic thinkers argue that this outward transformation into an interconnected entrepreneurial university should have a significant effect on the content and format of not only research but also of teaching. Etzkowitz et al (2000:314,316) for instance argues that the traditional teaching role of universities should be reinterpreted to assist the “modernization of low- and mid-tech firms”. Teaching will be aimed at applying the academic knowledge of students in “real world situations”. This also means that lecturers will try to create opportunities for students to become interns in businesses where their “temporary apprentice role transcends the original educational intention”

As reported in the vision of Röpke (1998) and critique of Terreblanche (2013) above, apart from arguing for the transformation of the internal functioning of universities and the external relationship with society, a third change is also foreseen by economic thinkers. A new kind of academic, tailor-made for the economic paradigm, should make his or her appearance. This implies the already mentioned transformation of students into clients and lecturers into human capital and entrepreneurs. Etzkowitz et al (2000:315) argue for a “dual cognitive mode”, that is the manifestation of researchers who “focus both on achieving fundamental advances in knowledge and inventions that can be patented and marketed”. Viale and Etzkowitz (2010:12) call this Janus-faced academic a “PoP” (“Professor of Practice”) and lower in rank a “RoP (“Researcher of Practice”). These kinds of academics are deliberately involved half-time in business and academia in order to maintain a high industrial involvement and do not become traditional academics. Viale and Etzkowitz (2010:12) even claim that the PoP model should become relevant to all academic fields – including the arts, humanities and social sciences – with “practitioner constituencies”. It will later be argued that this proposed change of lecturers into a new kind of subject, harbours grave consequences for the idea of being an academic.

4. A SYNTHESIS OF OLD AND NEW?

The claim of economic thinkers regarding a cumulative transformation suggests that the transformation into a so-called entrepreneurial university will introduce a more comprehensive view of the task of the university than the previous emphasis on only teaching and basic research. The assumption is thus that the core of the revolution should consist in the successful fusion of teaching, research and entrepreneurial tasks. If this does not happen, the claim of a progressive new paradigm is disputable.

There are indeed sceptical voices: Tuunainen and Knuuttila (2009:685,687,688,691-695,) for instance question the claim that a comprehensive change of universities into commercial units is taking place. They set out to study “the challenges actors at the grass-roots level of university departments encounter when engaging in commercial activities”. They studied the histories of the *Plant Biotechnology Group* and the *Language Technology Unit* at the University of Helsinki in Finland where both “sought to commercialize their research results through the establishment of new companies while simultaneously

continuing academic research and teaching at the university". In the instance of the *Plant Biotechnology Group* academic research and their commercial enterprise were conducted in the same laboratory. This fusion of activities ended in a number of conflicts between the university as public institution and the private business activities of the researchers. The first conflict was about the leader of the group of entrepreneurs' denial of the administrative authority of the department chairman. The second issue was about the leader of the group who was accused of neglecting her teaching duties. "In this conflict, the crux of the matter was how to best allocate the group leader's working time between the different duties of her professor's position, including scientific research, technology transfer as well as undergraduate and postgraduate education". A third struggle was about the use of the university's equipment by the private company. The fourth was about the intellectual property rights of research. This constant struggle to keep public and private apart caused the researchers to eventually sever their ties with the university and transform themselves into a pure business. Tuunainen and Knuuttila (2009:695-700) describe a more or less similar development and fate for the *Language Technology Unit*.

On the basis of their results Tuunainen and Knuuttila (2009:700) question the claim that "universities are able to combine their traditional academic functions with the increasing demands of commercialization". They argue that this combination with the aim to transform universities into economic role players proves to be difficult to administer and maintain at grass-root level with the following points of unsolvable conflict being salient:

- The division and management of administrative authority between heads of academic departments and academic-entrepreneurial leaders.
- Clarity about the working hours/work allocation between being an academic and an entrepreneur.
- The use of university equipment and personnel by private companies, which are financed by public money.⁶
- The definition of intellectual property rights.
- The allocation of economic rewards between researchers.

⁶ According to Tuunainen and Knuuttila (2009:701) "most universities are public sector entities ... or tax-exempt organizations" with stringent regulations about the engagement of these kinds of organizations in commercial enterprises. The implication for Tuunainen and Knuuttila is clear; public money cannot be used to promote essentially secretive enterprises for private gain.

- The allocation of academic credits.
- The decrease in the openness of scholarly communication or the increasing barriers to the transmission of knowledge between scientists because knowledge implies private profit interests.⁷

Tuunainen and Knuuttila (2009:701) therefore found “only limited support” for the thesis that “science and universities were on the verge of fundamental transformation” towards “becoming an entrepreneurial actor in [its] own right”. They argue that this change may be the case for certain divisions (e.g. “science parks, business incubators, and the like”) but that it is “hardly an accurate characterization of the university organization as a whole”.

According to the narration of the history of universities by economic thinkers like Yusuf (2007) and Etzkowitz (2004), the first revolution was about a transition from conserving knowledge to also generating new knowledge. Although they claim that this change is radical and thus worthy of the label “revolution”, this transition could not have been that radical because lecturers had to get a hold of knowledge before they could conserve and hand it over to a next generation. This “getting hold of knowledge” would involve something like what we nowadays call research. To expand this role (as was done in the so-called first revolution) is not a radical step, but involves a redirection of emphasis. In fact, Etzkowitz (2004:76-77) acknowledges: “Because research is assumed to be an academic mission, students are taught how to do it, thus making it part of the educational mission”. Conserving, transmitting and generating knowledge is part of the same mode of action which can be called the “academic mission”. The question is whether the commercialisation of knowledge can be seen as also part of the “academic mission”.

Even exponents of the economic model have their doubts about the commercialisation and commodification of universities. Yusuf (2007:2) argues for instance that Von Humboldt’s adding of basic research (i.e. the core of the so-called second paradigm) seemed from the start to be “a more logical extension of teaching activities” if teaching is seen as “the central role of the university” (the latter thus the first paradigm). Applied science to devise “commercial technologies”, (i.e. to commercialise and commodify applied science) however, does not appear to be a natural part of the functioning of

⁷ Venter (2006:291) is also concerned about the latter. He argues that the profit motive in research is problematic since it implies that “knowledge and information acquired under intransparent circumstances and controlled by those who have financial interests in it are withdrawn from public or peer scrutiny”.

universities. In fact, it “has been decried as a digression, possibly a distraction, and arguably inimical to the central role of the university”. Yusuf, although an articulator of the economisation of the university, acknowledges that “whether those policies are the right ones ... [is] difficult to gauge”. In a moment of reflection, Yusuf (2007:21-22) even asks whether “universities can actually be converted into engines for promoting technological change without being seriously deflected from their primary missions”. Secondly, he asks, can the “direct contribution” of universities to the development of technology and innovation, which has been “limited thus far”, be “appreciably raised”? He also questions the issue, so to speak, from the other side: Even if the latter can be achieved, a situation can develop where the “larger firms that are most partial to university research may not have the appetite for more”.

To this doubt about the successful synthesis of academic and economic functions should be added a second doubt about the transformation of universities into major economic actors, namely that the assertion that a major paradigm shift is taking place, assumes that both basic and applied research were not part of the original idea of the university. However, if research was from the start part of the scientific enterprise of universities, the assertion that a major Kuhnian paradigm switch took place with the emphasis on research by Von Humboldt seems to be a misinterpretation by economic thinkers. It can indeed be argued that Aristotle’s Lyceum could already be recognised as a university that did both teaching and research (Venter 1987:2). To elaborate on this way of thinking; to say that applied research (e.g. engineering science) can also be part of the scientific enterprise of universities, need not be an indication of a Kuhnian paradigm switch but merely point to the further evolution of a basic idea. The proviso is nevertheless that this further development should not be seen as the only or even core focus of universities. It is one thing to also emphasise applied science but another to develop (any kind of) science according to an economic view of the commercial relevance of research. It is probably this economic insistence that the activities of a university should lead to a commodification of science that resists a successful synthesis with the idea of a university.

These barriers to a radical economic revolution for universities are stronger and more deeply embedded in a durable ontology for the university as institution than appreciated by proponents of the economic university. The fact is that universities “embody missions and practices that date back to the Enlightenment era or even Middle

Ages” which “still play a role in the organizational life of the university” (Tuunainen & Knuuttila 2009:685). Some would claim that this reach for a durable structure for the university is out of tune with the spirit of our nominalist and postmodern world and merely emphasises the need to drop a traditionalist stance and construct something appropriate for our times.

However, such a dismissal is not that easy. Tuunainen and Knuuttila (2009:702) for instance acknowledge that the “analytical approach” in their study was “constructivistic” – they set out to attain something more (post)modern. The results nevertheless, forced them to emphasise “the relevance of more enduring social factors”. They have in mind features “such as the university’s commitment to open scholarly communication and undergraduate teaching”. These features, they claim, make “the boundary between university and commerce relatively stable”, and that “the boundaries between public academic work and private business are not just created at will”. Vestergaard (2007:41-42), reacting to Tuunainen and Knuuttila, and summarising his own as well as the research of others, adds to this verdict that “despite decades of political promotion, few universities generate significant funds from commercialisation of university research” and that there is “little reason to expect it to do so in the future”. He observes that one side of the debate insists that “if policymakers create what is seen as the appropriate intellectual property rights regime and allow both the individual researcher and the university to have financial incentives, knowledge transfer and commercialisation will increase”. The current failure of this attempt however, induces the other side of the debate to conclude that “the very notion of public universities proactively engaging in the commercialisation of research is dangerous and indeed against the nature of universities”.

The inclusion of an entrepreneurial element to some university activities does not yet seem to be a paradigm revolution. However, if the inclusion intends to transform the nature of the university as institution, a Kuhnian paradigm revolution is indeed envisioned. It is most likely this kind of change that is resisted when the commodification of universities and knowledge does not seem to get going in many universities.

5. THE SILENCING OF A VOICE OF COMPLEXITY

A radical economic paradigm change thus seems to harbour some insurmountable problems. A further important anomaly is the impression that the economic ideal could rob universities of the ability to raise their free, critical, imaginative, moral and thinking voices. This ability is part of the existing paradigm for the idea of a university and, on the face of it, a major contribution that universities can make to our civilization. If these abilities are endangered in the process of a paradigm revolution, it can be argued that the economic revolution should not get the progressive label that economic thinkers think it should get.

Universities usually market themselves and justify their claim on public funding with the argument that they serve the public good. They use their “Enlightenment inheritance” to argue that they are the producers of knowledge for “the greater good of humanity” and that they are the protectors of “the free interchange of ideas ... freedom of thought, including the freedom to dissent from prevailing orthodoxies” (Lynch 2006:1). De Beer (2010:292-293,299,301) formulates this sentiment on an even deeper level by claiming that societies cannot do without human beings that think. Without them society will lose the meaning of life because it will lose all perspective and especially an outlook on the future. De Beer (2010:299) emphasises a thinking that is hallmarked by multiplicity and complexity, a thinking that seeks to create connections and associations. It is a thinking that tries to be in touch with being, that is with reality in its diversity. In fact the enemy of thinking should be seen as a drive towards the poverty of linear, one-dimensional thinking.

One-dimensional or reductionist thinking of a very crude and severe kind could be the result of the economisation of universities. Lynch (2006:7) remarks that if universities become dependent on industry as well as in the grips of a “business-driven agenda of the government” the danger looms largely that “the interests of the university become synonymous with powerful vested interests” which will undercut the freedom of thought of academics. Lynch is therefore of the opinion that economism will “compromise public trust in the scholarly integrity of university research and teaching” as universities are seen as, and do function as the “handmaiden of a set of powerful sectoral interests”.

One can add the tempering remark that being funded by industry does not mean universities are necessarily the victims of economic thinking. Universities that depend on

funding from industry are nevertheless vulnerable to this deformation. They are more or less in the same position as universities that are funded by the state. The latter are vulnerable to statism – that is, being prescribed and even ruled by the state and its particular ideology. Nevertheless, many state universities through the years maintained their independence. This may also be the case for universities that are funded by industry. The point is, however, that economism and statism can have a silencing effect on what universities do and what they produce if universities do not keep their character of “thinking the complexity of the universe” intact. It is important, in the context of this article, to emphasise with Burger (2005:21) that although political interference with academic freedom is always a danger, the fact remains that commercialisation is currently a bigger danger because the *raison d’être* of universities, their academic side, is in danger of becoming a mere consumerist product and even academics do not resist this tendency.

The danger of one-dimensional thinking becomes very real when economic thinker Jochen Röpke (1998:4-5) warns against the established idea that any kind of new knowledge is welcome at a university. He argues that the availability of new knowledge does not automatically increase a university entrepreneur’s competence to make rewarding use of this new knowledge. New knowledge may even be harmful if it makes him aware of how many things he does not know. This will raise his uncertainty level and thus demotivate him to be entrepreneurially inclined.

Liesner (2006), quite perceptively, senses the reductionist implication of this economic way of looking at knowledge, and therefore warns against a “calculated style of thinking”, which assumes “an entrepreneurial subjectivity”. For this subject, for instance, the idea of criticising the “status quo regarding human relationships” does not have credibility. This changing emphasis is especially endemic in so-called entrepreneurship-education which is about giving “information regarding the function of business in the economy ... in order to show students different ways to increase individual prosperity”. These kinds of courses are a reaction against “structural unemployment” and try to forge a subject “who now has the full burden of responsibility for his or her professional future”. These courses usually do not confront students with different theories to empower them with well-informed reflection and decisions about economic issues but merely try to inculcate in students “a particular set of beliefs”, namely a way of thinking “that is idle, anti-risk, and passively or consumption oriented”. Even more disquieting about these developments is the fact that

“those affiliated with the university hardly ever protest against the university’s reconfiguration into a service provider”. This is probably an indication that the “latent anti-intellectualism” of current culture is not something “found exclusively outside the university” and that the entrepreneurial university has already “shaped a new kind of academic subjectivity” (Liesner 2006:488-494).

Ruth O’Brien in her foreword to Nussbaum’s *Not for profit* (2010:ix-xi), makes the disturbing remark that “literature and philosophy have changed the world”, but American parents nowadays are ashamed when their children study philosophy, art or literature. The aim is rather set that education should look for “financial success”.⁸ Lynch (2006:3-4) makes the remark that economism does “trivialise education that has no market value”. This is a mistake because the obvious and upsetting fact is that “the majority of citizens in society at any given time are not self-financing consumers”. Nussbaum (2010:1-2,7) calls this global marginalisation a “silent crisis” which will shut down important abilities (critical thinking, imagination and a moral approach) and eventually seriously harm the ideal of a civilized and cosmopolitan humanity.

Economism shows an inability to ensure that it will not be complicit in the eradication of the intellectual subject that is able to think the complexity of our universe. As its name indicates, the university as institution should be a place that forms human beings that contribute to civilization by thinking the complexity of the universe. The economic university’s failure in this regard is hardly the hallmark of a paradigm that will improve our view of the university. Economism rather represents the advent of a deformed and not a progressive and liberating new paradigm.

⁸ De Vries (23 October 2005:18) reports the same tendency in South Africa amongst students and their parents to choose for a specialised and professionalised education with the assumption that this will ensure a good and profitable job. There is thus a movement away from general degrees. The difference in the case of De Vries is that she does not see it as something disturbing. What she does see as disturbing is the lack of information to students and their parents about what can be seen as the profitable professionalised career choices. She is in effect arguing for a tighter application of the economic perspective.

6. CONCLUSION

The fundamental question asked in the preamble is whether we should evaluate the proposal for an economic university as something progressive. The drift of the arguments developed in the course of this paper suggest that this is a highly controversial assessment.

It is argued that something very different from what civilization has become accustomed to in the idea of a university, is envisioned. Universities, it is suggested by economic thinkers, should become major participants in the global economy. The question this proposed change evokes, is whether something will be lost in the process. Universities used to play a crucial role in the education of highly skilled people as well as an essential part in the deeper exploration of the mysteries of the universe. The question is therefore asked if the commercialisation of the university can be reconciled with these two interlinked functions that served civilization well for more than two millennia.

The preliminary indications are that a successful synthesis is difficult to imagine and that the prospects that it will be accomplished are not overwhelmingly promising. An even more negative impression is that the attempt to create this paradigm switch could induce unpredictable problems. One such potential negative side-effect is the silencing of the ability to “think the universe” usually associated with universities.

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