

**IF YOU'RE SO SMART, WHY AREN'T YOU RICH?
UNIVERSITEIT, MARKT EN MANAGEMENT**

Chris Lorenz

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Introduction

Although, given its title, one would assume that this book explains why universities are incapable of transforming their talents and capabilities into 'gold', the opposite is actually true. "If You're So Smart, Why Aren't You Rich?: universiteit, markt & management" criticizes the tendency to see universities as organizations that should have a direct measurable return from the public money invested. It objects against the variety of measures that infringe upon academic freedom and that transform the university from an institute that shapes a student into a *homo academicus* to an institute that shapes a student into a *homo economicus*.

The book is a collection of essays written by authors working as university professors, mostly in the Netherlands. The articles differ much in form and style; some are written as articles published in academic journals, others are written as open letters to the Dean or the Board of Directors of a university. What they all have in common is a discontent with the developments of the last decades, which, in their opinion, threaten the university, scientific progress, and society as a whole.

I Globalisation and Liberalisation of Higher Education in the Netherlands

It is impossible to give a complete account of the book, but there are some clear lines that are easy to dissect, like that of globalisation and liberalisation. According to the editor and author Chris Lorenz the reforms of higher education in the Netherlands have been more extensive than in other European countries, and may prove an example of what might happen in other countries. The core of these reforms can be found in the Bologna Declaration, a document signed by all European Union member states.¹ The goal of the declaration is to create one European system of higher education to make the EU internationally more competitive. In order to reach this goal the national systems should be harmonised and standardised, which means

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¹ The Bologna Declaration is not a binding treaty, nor does it fall under the authority of the European Commission.

the same credits for education, the same certificates and the same quality control.

The Bologna Declaration should be seen in a broader perspective. There have been other declarations and treaties with the same aim, for example the Lisbon-agenda (2000). The aim of the Lisbon-agenda was to turn the European economy into the most dynamic and competitive in the world before 2010, by creating a knowledge society in which education had a prominent place. The link between economic progress and education leads policy makers to perceive higher education as something that has mainly economic value and to which economic laws can be applied. Scale enlargement, cost reduction and standardisation should lead to a higher competitiveness. More and more, higher education is perceived as a service that should be part of the global economy.

The consequence of the economised vision of higher education is the idea that research and education can be managed with the same instruments as commercial enterprises. According to Lorenz, this has led to a radical economisation of higher education in the Netherlands since the 1980s. Quality is no longer primarily defined in a qualitative way, but is expressed in economic quantities. Education is seen as production and measured in credits. These and other quantitative indicators are the basis on which the output of the university is measured. This output, in turn, determines the level of funding the institution receives. The autonomy of the academic staff has disappeared and managers with little knowledge of the field they are working in are now in control. This leads to a de-professionalisation of the university. The academic staff that previously had a managing position within the university, in addition to education and research, are now considered professionals that are not expected to be occupied by such matters. Managers take most of the top positions and academic research is molded into a pre-set form that can easily be controlled.²

The urge of European governments to bring universities under their control has its roots in the economic situation of the 1980s. In the 1960s and 1970s universities had become more democratic and socially relevant. This social relevance turned into economic relevance in the 1980s, when budgets were tight and the public sector could no longer justify its enormous spending. In this situation the 'New Public Management' appeared. As Lorenz explains, this neoliberal theory turns citizens into stakeholders and attempts to change the public services by individualising them. The universities have to operate like quasi-markets in which the void that in is normally filled by the market mechanism is now taken by the government that has one primary demand: efficiency. The author points out that efficiency in opposition to effectiveness is an empty idea. 'Efficiency' most of the time means 'cost-

² C. Lorenz, 'Van homo academicus naar homo economicus', in: *If You're So Smart, Why Aren't You Rich?*, C. Lorenz, et al., Amsterdam: Boom, 2008, p. 60.

efficiency', which suggests that universities should be able to provide their own financial means.³

II The Problem of Quality Standards

An Essential feature of the 'New Public Management' is the evaluation of the results of education and research. For the competition between European universities, it is crucial to compare the quality of studies to create a European market in which students can switch between universities more easily. In the Netherlands and Flanders the accreditation is determined by the NVAO (*Nederlands Vlaamse Accreditatie Organisatie*)⁴. Vebrugge thinks accreditation has its use, but questions the basic assumptions on which this organisation works. He writes that it is science itself that has to determine the applicability of the evaluation method. Science cannot be judged by standards that do not originate in science itself and since science is never finished, there is always a certain degree of irrationality in the evaluation methods and standards.⁵

How relevant are the standards the accreditation organisation uses to measure the universities' outputs? According to Verbrugge the standards are often not fit to judge upon the quality of education. For example, publications in Dutch are not considered relevant and therefore not counted. English might be the academic *lingua franca*, but that does not explain why other languages should be ruled out. Plato, Aristotle, Kant, Hegel, Nietzsche, Voltaire and Kierkegaard all wrote in their own language and would be found irrelevant by present standards. Their audience would be too small; they would not have the opportunity to publish in academic journals or to be peer-reviewed. Academic research should meet international standards, but the criteria set by the bureaucratic institutions limit academic research in its freedom. For example, an article is probably not always the best way to present a philosophic research, and for languages, for poetry and maybe even for history the language determines the meaning. Some things cannot be translated without losing part of the original meaning. In philosophy, for example, there is a Continental and Angel Saxon tradition. Verbrugge points out these are different traditions that are bound by time, language and place.⁶ The standards used for accreditation often do not take into account the locality that in some fields is important for good research.

This standardisation also plays a role in what René Boomkens and René Gabriëls call the paradox of innovation. For innovation, there is a

³ Ibid., pp. 45- 49.

⁴ Literally: Dutch Flanders Accreditation Programme. This organisation aims to maintain high standards in higher education.

⁵ A Verbrugge, 'De globalisering van de universiteit', in: *If You're So Smart, Why Aren't You Rich?*, C. Lorenz, et al., Amsterdam: Boom, 2008, pp. . 132-138.

⁶ *Ibid.*, p. 137.

precondition of theoretical and methodological pluralism within one field of study. This precondition is met less and less, because of the normalisation and standardisation of research. The normalisation of research creates monopolies in which a small group of people decides what excellent research is. Academics with diverging ideas that do not directly fit the qualification 'excellent' will not have the possibility to develop further with support of the universities.⁷ Quality standards therefore can have the opposite effect for which they are intended.

III The Knowledge Society: Professors as Processors

An important argument in favor of reform is that present society demands a different kind of higher education. Ruben Rambour argues that the knowledge society does not require the upgrade of skill.⁸ In early modern times differentiation of work was a determining feature of the industrial revolution. Tasks were strictly separated and the craftsman lost its knowledge. Simple repetitive tasks made the process easier to control and the production more efficient. One would assume that in the modern knowledge society the tasks and competences of workers are more complex and need to be integrated, and more highly skilled laborers are needed to compete with other economies. Yet according to Rambour, this is a misconception that is refuted by developments in ICT and services. Information technology is mainly used to cut back on personnel, for example in the middle management of banks. Many jobs in ICT that are described as highly skilled labor, in reality require only limited education. The prospect is that in the future there will be no increase in demand for skilled labor. For 80% of the jobs in the US no secondary education is needed and this trend is likely to continue.⁹

The increase of students in higher education that began in the 1960s can no longer be legitimised in economic terms. Too many people are over-educated and received too much education for the work they will be doing. The introduction of the Bachelor-Master structure must be seen in this light, and is a move towards limiting the duration of studies. Education is broken down in pieces and learning by experience is supported by developments like the Europass, in which 'Work-Based-Learning' can be registered for future employers. According to Rambour, in a 'knowledge society' life-long learning has little to do with the old academic ideal of a permanent education, but is mainly important for the employability and the flexibility of the workers. By offering shorter higher education the employers can limit the labor costs.¹⁰

⁷ R. Boomkens, & R. Gabriëls, 'Paradoxen van het academisch kapitalisme', in: *If You're So Smart, Why Aren't You Rich?*, C. Lorenz, et al., Amsterdam: Boom, 2008, pp. 110-112.

⁸ The same line of reasoning is followed by Graham Locke in his article: *Hellzapoppin... De universiteit in vuur en zwaai*, p. 101.

⁹ R. Ramboer, 'Het universitaire bedrijf van de Bologna-verklaring', in: *If You're So Smart, Why Aren't You Rich?*, C. Lorenz, et al., Amsterdam: Boom, 2008, p. 220.

¹⁰ R. Ramboer, 'Het universitaire bedrijf van de Bologna-verklaring', in: *If You're So Smart, Why Aren't You Rich?*, C. Lorenz, et al., Amsterdam: Boom, 2008, p. 226.

Function differentiation is not limited to industries or services; the academic professions are differentiated as well. Professors, once seen as professionals, are turned into processors, mainly judged on their output and less on the quality of their work. They even get contracts in which a part of their salaries is based on their (output-)performance, while professional achievement is not considered.¹¹ This leads to motivational problems, because intrinsic motivation is not appreciated and professional performance not perceived (unless visible in the output, e.g. citation indexes). For managers it is also difficult to work in this environment, since they have no professional authority. To get things done they have to use the authority they get from their position within the organisation. The growth of management staff according to Lorenz must be seen as an important symptom of the lack of support from the professional staff. More management is attracted, because they want to strengthen control over the professionals.

IV The Autonomous University?

In his articles, Herman Philipse draws his plea for a senate of professors that should guard the autonomy of the university from two philosophical lessons. The first lesson comes from Plato's *Theaetetus (Dialogue)* in which Socrates distinguishes two types of people with respect to searching for truth. The first type, the true truth seeker, has all the time in the world if he only finds what he is looking for. The second type, the practical man, has no time to look for the truth, because he always has the clock running. The practical man has an external power which he should obey, while the truth seeker has an intrinsic motivation and the autonomy to decide for himself. The truth is then not instrumentalised, but a goal in itself. The lesson that should be drawn from this is that truth can never be merely a means to an end, because then there is the risk that it gets violated and will exist of nothing more than lies. The second philosophical lesson comes from Montesquieu's *De l'esprit des lois' (Concerning the Spirit of Laws)*, in which he argues in favor of a separation of powers. Since science today is almost omnipresent in every domain of life, the risk of abuse, according to Philipse, is so big that only by giving universities a relative autonomy government can be prevented from misusing science. 'Science' was one of the victims of the totalitarian regimes which existed in the 20th century,. Science had to support the regimes, and intellectuals who spoke out openly against the regime were sentenced or simply disappeared. Therefore the university's autonomy should be guaranteed by giving it a solid legal foundation as the fourth power (besides the traditional trias politica; executive, judiciary and legislative powers)..¹²

¹¹ C. Lorenz, 'De universiteiten en het New Public Management', in: *If You're So Smart, Why Aren't You Rich?*, C. Lorenz, et al., Amsterdam: Boom, 2008, p. 179.

¹² H. Philipse, 'De universiteit als vierde macht', in: *If You're So Smart, Why Aren't You Rich?*, C. Lorenz, et al., Amsterdam: Boom, 2008, pp. 29-34.

Will the senate of professors solve the problem described above? The key argument in this book is that science has been made too dependent on criteria that are not its own. Globalisation is used as an argument to reform, to see universities as players on a global knowledge market. Management techniques and business economics are used to make universities more competitive, to discipline the academic staff, and to make them think in an economic way. A senate of professors that has the authority to co-decide with the university board on education and research policies would be a step in the right direction, but would not solve the problem. It would not stop the tightening of budgets and it would not take away the argument that globalisation should have its influence on higher education.

Conclusion

The strength of this book is in the fundamental critique given on the neo-liberal policy in higher education. It shows that quality does not improve by forcing science in a straight jacket. A paradoxical situation is created in which the standardisation and the measurability aimed at competitiveness actually lead to a decrease in quality. As Verbrugge convincingly showed, quality is very difficult to define and differs greatly between disciplines. The concept of the 'New Public Management' is not precise enough because of its quantitative conception of quality, which tries to compare things that are not alike. The 'New Public Management' theory is therefore deemed to fail.

The link that some authors make with globalisation is less convincing. A definition of globalisation is difficult to give, but most commonly it incorporates besides free trade, which is its driving force, also a cultural dimension. Globalisation is therefore not the same as neo-liberalism. The technological developments of the last decades and especially the Internet have not only sped up globalisation, but are also essential elements of it, because it enables this cultural dimension. Globalisation thus has a wider meaning than neo-liberalism and does not necessarily have a bad influence on higher education.

The book gives a good analysis of the developments in higher education and clearly shows the downside of neo-liberalism. Its lessons are clear; science should be as independent as possible and standards based on economic relevance do not improve quality. Therefore, primary responsibility should be given to the professors that teach and do research, in order to re-establish the traditional goal of the university of transferring the most advanced knowledge to a next generation. The authors' arguments are convincing and clearly show a need for change. However, the question how this all should be financed is not addressed. The main reason for the popularity of the neoliberal discourse is that it gives guidelines on how to distribute the limited financial resources. Here the book misses the chance of finding a credible alternative and of winning politicians over due to practical objections.

The book was published at the end of 2008 and contributed to the growing awareness that something has to change in higher education. In the spring of that year a parliamentary commission¹³ had already published a report in which the problems outlined above were acknowledged. In April 2010, an independent commission produced a report at the request of the Minister of Education with advice on how higher education should be reformed to make it 'future-proof'.¹⁴ The commission's advice was to spend more money on higher education, to limit output financing based on the number of students and for government to allow the selection of students for all academic studies. However, in most of its advices the commission seems to follow what in this book has been described as the 'New Public Management' and does not break with the neo-liberal paradigm. Therefore, this book is still very relevant .

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¹³ Commissie Dijsselbloem, *Tijd voor onderwijs*, <http://www.aob.nl/kixtart/nm/articlefiles/6794-kst113842.pdf>

¹⁴ Commissie Veerman, <http://www.rijksoverheid.nl/bestanden/documenten-en-publicaties/rapporten/2010/04/13/advies-van-de-commissie-toekomstbestendig-hoger-onderwi/adv-cie-toekomstbestendig-ho.pdf>

