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Neoliberalism and the Global Restructuring of Knowledge and Education

Steven C. Ward

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**For my children,
Kinsey, Kesslyn and Kylie**

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Introduction

The Contemporary Politics of Knowing and Learning

> The spirit of commerce brings with it the spirit of frugality, of economy, of moderation, of work, of wisdom, of tranquility, of order, and of regularity . . . as long as this spirit prevails, the riches it creates do not have any bad effect. (Montesquieu, 1989 [1748]: 79)

> The invention of commerce . . . is the greatest approach toward universal civilization that has yet been made by any means not immediately flowing from moral principles. (Paine, 1942 [1791])

> Thus god and nature link'd the general frame and bade that true self-love and social be the same. (Pope, 1824: 50)

Over the last few years we have been in the midst of what at times seems to be a reconsideration and what at other times appears to be a strengthening of one of the most sweeping and dramatic social experiments of the last few centuries. This social experiment, which came to be referred to as neoliberalism in most of the world, or in some instances "advanced liberalism" (Rose, 1999), began in the 1970s and 1980s when a loose affiliation of globally linked policy makers, academics, politicians, corporate leaders and financiers began to forge a broad reaching economic, political and social doctrine and set of policies and practices that would, over the course of the subsequent decades, profoundly alter the way economies and governments operate. Over time this doctrine would also be responsible for reshaping many contemporary social institutions, as well as the techniques and vocabularies individuals use to situate themselves within their societies and understand each other and their world. In doing so, the neoliberal doctrine redefined the relationship between state, society and economy that had existed in many nations at least since the advent of the so-called golden age of capitalism and the welfare state that stretched from the end of the Great Depression into the 1970s.

At neoliberalism's theoretical core was a rearticulation and reconfiguration of the eighteenth and nineteenth century liberalist argument that market exchange captures an essential and basic truth about human nature and the creation and maintence of social order (Dean, 1999: 159; Harvey, 2005). As such, it should become the model for conducting and managing a host of activities that were previously deemed "outside of" or "above" the intrusion of the marketplace. In relying on the activities of markets as a guide for all human affairs and for optimizing social harmony, neoliberals, much like their eighteenth and nineteenth century predecessors, sought to radically transform not only the workings of politics and economics but also the social and moral ties that historically bound individuals to societies, groups and social institutions. Under neoliberalism people were to be reconceptualized less as socially connected citizens of a nation state or morally situated members of a culture and more as self-interested competitors, self-actualized entrepreneurs and rational consumers in a dynamic and ever-changing global marketplace. In this neoliberal reconfiguration of the social, citizenship or social membership did not automatically convey state protected rights and safeguards to all, but rather individual action and responsibility earned one a position and standing in the social order. In this particular updated and modified version of *Homo economicus,* competition and self-interest were again envisioned as universal and fundamental psychological human characteristics before the "local knowledge" and customs of culture, religion and tradition or the protections afforded by the "tribe" or state were added. As such, the social sphere was to be understood as simply an extension of the economic domain and, therefore, reducible to the same basic economic tenants and laws of self-interest that govern the operation of markets. In this framing a new notion of the "self-in-society" was advanced where people's fates were to be determined by their own skills, initiatives, analyses of risk and individual consumptive choices and not by their reliance on the social relationships, obligations or expectations generated by state, society or culture. Indeed, in a strong "tragedy of the commons" (Hardin, 1968) version of this view, social relations, obligations and expectations were depicted as actually holding back both the freedom and advancement of the individual and, as a result, the optimal functioning of society at large.

Since the mechanisms of market exchange were said to best reflect our basic "species being," neoliberals further argued that they should become a normative force for dramatic reforms throughout all parts of government and society. From the neoliberal standpoint the market's competitive dynamism and natural selection process should be used not only to enhance markets through the usual methods of creating new products and services, stoking consumption, generating profits and expanding economies but also to produce the proverbial "greater good" and optimized society at large. This new greater good was seen as being brought about not through cooperation and the governmental leveling mechanisms of the past but through the self-interested activities of actors each working independently and unknowingly to create a spontaneous and balanced social order. These actors were seen as being continuously "disciplined" and "responsiblized" through the steering, motivation and redirection provided by the "messages of the market." This new "greater good" would also be brought into being by fully informed and empowered consumers–citizens and taxpayers whose desires and self-interest would lead them to demand low costs, accountability and transparency from all of those who provided them with products and services, including the state. These empowered consumers would then utilize their "buying power" to essentially "vote" for those products and services that were most in their interests (see Johnston, 2008). In the end, neoliberals envisioned the advent of a utopian capitalism where the market would solve societal problems that were previously thought to be correctable only through state intervention strategies, such as those found in socialism or the welfare state. As such, the expansion of the market into new domains of life would allow the liberal project of individual liberty and freedom begun in the eighteenth and nineteenth centuries to finally be realized after what neoliberals felt were decades of socialist or Keynesian command economic policy and the dependency and moral decay they were responsible for creating.

Promoters deemed neoliberalism not only as a reflection of the "nature of things," or at least the way things should made to be, but also as a pragmatic and inevitable economic and political adaptation to the "market realities" served up by an age marked by the increased global interdependence of economies and people, rapid technological innovation, heightened economic competition and the increased financialization of economies. They maintained the neoliberal policies were the only practical way for economies, states and people to conduct themselves in the highly financialized and consumer driven global economy of contemporary "fast capitalism" (Agger, 1988). For neoliberals, "there is," as Margaret Thatcher (quoted in Felix, 2005: 407) succinctly framed it in the 1980s, simply "no other choice." Indeed, in some settings neoliberal policies became so naturalized that they were frequently offered up as the only viable option available. In these times and places, all political options, policies and opinions were required to be first disciplined by and be in alignment with the "realities of the market" and "the bottom line" before they were considered tenable.

The neoliberalist policies and reform efforts of the last few decades were not just aimed at making national economies more pro-business and firms more economically efficient, however. Many of their efforts were directed at reforming and dramatically reenvisioning, shrinking and transforming the institutions, professions and practices that make up what is commonly referred to as the public sector or public domain. From the vantage point of neoliberalist reformers, the public domain and public institutions, such as in the areas of public housing, health, welfare, transportation or the topic that this book tackles, public knowledge and education, were, in their state supported or public regarding form, "black holes into which money is poured" (Apple, 1998: 81). They were at best incentiveless, unproductive and wasteful systems that were drags on the expansion of markets or at worst destroyers of the moral self-reliance of people. In an ironic twist, the growth of the public domain directed by socialist and Keynesian-leaning governments over the course of the twentieth century to allegedly protect people from the vicissitudes of the market was said to have created an overly public and state-dependent environment that ultimately robbed people of important social benefits. In their effort to expand equality, these Keynesian and socialist systems had killed the profit incentive that was necessary for people to innovate, make things and bring them to market where consumers could then purchase and use them.

Included in these efforts to reform the public domain were attempts to fundamentally rework the conditions under which knowledge was produced and disseminated. Knowledge, from the neoliberalist perspective, had over the course of the twentieth century also become "over-socialized" and much too public. In their present condition, universities, as the historical center of most public knowledge production for the last century and a half, were much too isolated from market forces and the direct productive and workforce needs of corporations and the economy as a whole to serve as needed engines of innovation and economic growth. Universities, with their focus on "basic science," shared, public knowledge and free and open inquiry, had generally followed their own professional and disciplinary determined epistemic concerns. These concerns led them to occasionally and indirectly produce economically viable products or procedures; however, overall their economic impact fell far short of what should be expected of them given the large amount of public funding invested in their operation. Universities, by and large, had failed to "pull their own weight" or maximize their economic impact in the new, often technology driven, global economy. They had failed to understand that the game had now profoundly changed and that the classic "knowledge for knowledge's sake" often identified with the Humboldtian-inspired research university of the late nineteenth and most of the twentieth centuries was no longer possible. Knowledge production, it seemed, needed a major retooling, reorganization and intensification much like other lagging industries or unresponsive state bureaucracies.

In addition to remolding the conditions under which knowledge was produced, neoliberals also took aim at the dissemination of knowledge through public education. Public education, at all levels, was a particularly problematic issue and institution for neoliberalists and the site of some of their most sweeping and controversial global reform efforts. In their view schools and universities around the globe had failed to provide students with the skills and "entrepreneurial values" necessary to compete in an increasingly economically interconnected world. They had also failed to fully recognize and adapt to the new role that knowledge was now required to play in the growth and expansion of regional, national and international economies. For neoliberalists, the failure of education was, like the failures of all public institutions and public realm in general, traceable to socialist and Keynesian economic and social policies that were introduced by governments around the world in the first half of the twentieth century.

These policies essentially "nationalized schooling" by allowing the state in many national contexts to establish an exclusive monopoly over education and professional knowledge workers, such as professors and teachers, to establish and maintain a collective "monopoly of competence" over or to "capture" particular knowledge or education domains (Larson, 1977: xvi). Over time these monopolies created an insular and bloated bureaucratic education system that made both the production and dissemination of knowledge inflexible, inefficient and, ultimately, ineffective. As a result educational institutions at all levels were unable to respond to the changing skill and knowledge needs of corporations.

The state's monopoly on education had also created a system of entitlement that produced complacent, unmotivated teachers and administrators, uninvolved parents and lazy, underachieving students. What was needed in the neoliberalist view was, among other things, the introduction of a "new public management" into these organizations that would be responsible for better managing knowledge and overseeing a major retooling and reorganization of knowledge production and education along the lines of a competitive business enterprise. Bringing economic rationality, consumer choice and the disciplining of the market and its accompanying new manageralistic forms of administration to bear on knowledge production and dissemination would, they contended, finally create a competitive, "entrepreneurial culture" throughout all levels of education. This, in turn, would enable the construction of "post-bureaucratic" (see Heckscher and Donnellon, 1994) or "post-Fordist" (Jessop, 1994) forms of educational organizations and knowledge workers that were flexible, nimble and quick. It would also help "responsiblize" people in educational institutions by constructing self-reliant, fully informed and entrepreneurially-minded students and knowledge workers who didn't need what Margaret Thatcher famously referred to as the "nanny state" to care for them but were capable of using their self-acquired knowledge and skills to adapt to and take advantage of the opportunities the continually evolving global economy served up.

To accomplish these wholesale epistemic and pedagogical reforms neoliberals set out to completely rethink the *raison d' etre* of education and the relationship between public knowledge and education. First they contended that education needed to be reconceputalized as less a public right or direct governmental responsibility, as was the case in other models of state-controlled mass, public education, and more as a private investment in "human capital" made by knowledge consumers in order to better their position and status in the marketplace. Like all commodities in the neoliberal model, education should be obtained, not through welfare-style governmental grants or entitlements but in the marketplace where consumer choice and a "user pays" system would encourage students to "responsiblize" by using their own or borrowed funds to purchase the best product available to them. Education was seen as an investment, like stock ownership, that would pay future dividends. Also, as a result of the cumulative choices made by the student consumer, the education system itself would be further rationalized, optimized and finally turned into a true market.

In this rethinking of education the role of state was to shift from being a purveyor of collective well-being, equality and general social welfare to an information conduit who was responsible for making sure that entrepreneurs and consumers were informed of their options in the marketplace; a manager or auditor who looked to see if established economic goals were being met and accountability mandates were being followed and an agent who would establish a market where none existed before. In this situation market efficiencies and economic fundamentals would determine the types of skills and knowledge that were needed while simultaneously creating the competitive pressures necessary to force educational institutions and teachers and professors to become more flexible and to produce the best product possible for the lowest possible cost.

Neoliberals argued that such a competitive business model would at long last bring Joseph Schumpeter's (1942) infamous process of "creative destruction" that had made market economies so innovative and efficient into the stagnant and wasteful realm of public knowledge production and dissemination. It would enable what a 2004 Organization for Economic Cooperation and Development (OECD) report hailed as the "Schumpeterian Renaissance" (OECD, 2004) to move into another part of the public sector. One of the desired outcomes of this "Schumpterian Renaissance" heralded by neoliberalist reformers was the creation of a "quasi-market" for education and other "public goods" (Gordon and Whitty, 1997). Since the privatization of education would need to move more slowly than in other parts of the public sector, quasi-market incentives could be put in place first to mimic the market and "acclimatize clients" before full privatization would take place—an approach found to some extent in the graduated steps for noncompliance found in the U.S. policy of No Child Left Behind. This quasi-market sought to impose what critics would decry as a "worst of both worlds scenario." Here, a series of competitive market measures and pressures were introduced into education while simultaneously increasing and intensifying state oversight and control.

In this quasi-market situation the education system was deliberately placed in a paradoxical and contradictory position. On the one hand, it was to be left to "competitive market forces" of consumer choice to shape its directions and outcomes. Here, education was "transfigured to act as if embedded in a competitive environment where the laws of economics reign" (Shamir, 2008: 1). On the other hand, however, it faced more rigorous monitoring, auditing and evaluation by the state—a situation that would seem at first glance to limit its freedom to compete in some unfettered educational marketplace, at least as envisioned within the classic liberal economic model. In other words, the education system was seen as being shaped by the forces of competition while also being continuously monitored and evaluated by newly established accountability institutions and mechanisms put in place by governments in the name of efficiency and "accountability to the public" who were now being recast by neoliberalists as "stakeholders" or more commonly as "the taxpayers."

This rather confusing and seemingly contradictory loose–tight arrangement of decentralized centralization is only understandable if we shift our attention away from neoliberalism as a set of strictly economic practices to neoliberalism as a broader form of what Foucault (1991) referred to as "governmentality." In this new neoliberal form of governmentality that emerged over the past few decades the role of the state was dramatically transformed. It became neither a classic *laissez-faire* or capitalist state that stays out of the market economy nor a traditional welfare or socialist state concerned with the social distribution of wealth, maintaining high levels of employment or social planning initiatives. Instead, it became more of a "managerial state" (Clarke and Newman, 1997), "evaluative state" (Neave, 1988) or "small, strong state," (Gamble, 1988) whose purpose is to monitor and assess how well economic and social goals are being met and to control how public monies are being spent. In other words, the neoliberal state that emerged over the last few decades was much less likely to directly intervene in social welfare issues by providing direct services, as had occurred in the traditional welfare state. Instead the neoliberal state privatized or "out sourced" many of its former social welfare functions to private companies competing in newly created markets or quasi-markets to provide services or, in other cases, to already existing state agencies who were reconfigured to operate as if they existed under market conditions. The neoliberal state's role in these circumstances is to continuously monitor and report on these social welfare companies' and agencies' levels of productivity and effectiveness in order to know how to allocate or if to withdraw funding. In essence, the neoliberal state became a state form that sought, as Nikolas Rose (1993) succinctly put it, to "govern at a distance." Under this system of neoliberal governmentality states did "not eschewed intervention; rather they [have] changed its modality" (Gordon and Whitty, 1997: 455). Indeed, it is this characteristic that most separates the liberal from the neoliberal state. Unlike the nineteenth-century *laissez-faire* state or even the early "roll back" neoliberal state (Peck and Tickell, 2002) associated with Margaret Thatcher or Ronald Reagan that wanted to remove the state as much as possible from any direct involvement in economic matters, the neoliberal state used its auditing role to work alongside businesses and firms to create, support and expand markets. The neoliberal state form that emerged in many nations over the last few decades was, thus, not seen as an impediment to economic growth or something that should remain on the sidelines but an integral player in the enhancement of markets and capital accumulation. It was now the job of the state to establish markets or quasi-markets in areas where none had existed before.

In order to implement these neoliberal-inspired political, economic and social changes at the institutional level, reformers around the world began introducing a new form of public management into the operation of most public organizations throughout the 1980s and 1990s. Drawn from public choice theory and the public interest model in economics, this "new public management" sought to run the public sector utilizing the same philosophies, principles and procedures that were found in the private sector. More specifically, this new public management sought both to reorganize the operation of public organizations and to redefine and govern the relationships between administrators and professionals, such as teachers, social workers, professors or physicians and state and government workers who make up the fields that provided direct public services. In the view of neoliberal reformers, public organizations lacked the efficiency, accountability and hierarchical "line management" structure necessary to make fast, definitive and economically prudent decisions. Much like a badly run company, public organizations were too undisciplined either from the prevalence of bureaucratic authority, strong professional or civil service control or traditions of collegial deliberativeness and debate, such as those found in universities, to make quick or efficient decisions. Neoliberals contended that this lack of discipline and rationality had made these organizations outmoded dinosaurs in the age of rapid and unpredictable change and the growing demands for more public accountability. They were drags on economic productivity and a burden to the taxpayers who supported them.

In the context of knowledge producing and disseminating institutions proponents of new public management argued that for educational reforms to succeed it was imperative that a new relationship be forged between those who managed educational institutions and those who delivered the needed educational products. As a result a series of new types of managerial theories and practices borrowed from business firms, such as Total Quality Management (TQM), Human Resource Management or Toyotism, were put in place to redefine, realign and rehierarchicalize the relationship between administrators and knowledge making and disseminating professionals. Under this new managerial regime, teachers and professors in these newly reformed or soon to be reformed schools and universities were to be treated more as employees rather than partners in shared governance or autonomous professionals. As employees they were to follow the dictates as set from "above" by rational, unbiased managerial authority rather than professionally controlling and monitoring their own performance, curriculum and expertise. Teachers and professors were also increasingly required to demonstrate to auditing authorities, often through some form of formal assessment, such as various national research assessment exercises or "high stakes testing" initiatives that they were delivering the curricular or research goods necessary for the organization to reach the "output goals" established by the state's auditing and accountability systems. This, in turn, required continuous and every expanding forms of auditing, assessment and monitoring of these professionals' performances.