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If You're So Smart, Why Are You under Surveillance? Universities, Neoliberalism, and New Public Management

Chris Lorenz

Trust is good, control is better.

—Ascribed to Vladimir Lenin[1]

The most successful ideological effects are those which have no need of words, and ask no more than complicitous silence.

—Pierre Bourdieu, *Outline of a Theory of Practice*

Although universities have undergone changes since the dawn of their existence, the speed of change started to accelerate remarkably in the 1960s. Spectacular growth in the number of students and faculty was immediately followed by administrative reforms aimed at managing this growth and managing the demands of students for democratic reform and societal relevance. Since the 1980s, however, an entirely different wind has been blowing along the academic corridors. The fiscal crisis of the welfare states and the neoliberal course of the Reagan and Thatcher governments made the battle against budget deficits and against government spending into a political priority. Education, together with social security and health care, were targeted directly. As the eighties went on, the neoliberal agenda became more radical—smaller state and bigger market—attacking the public sector itself through efforts to systematically reduce public expenditure by privatizing public services and introducing market incentives. At the

I would like to thank the Freiburg Institute for Advanced Studies for its hospitality in 2009–10. This manuscript was completed in 2010.

1. This statement is usually ascribed to Lenin, but it cannot be found in this form in his writings. See Christoph Drösser, "Stimmt's?" *Zeit Online,* 3 Mar. 2000, www.zeit.de/stimmts/2000/200012_stimmts_lenin

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same time the societal relevance of the universities demanded by critical students was turned on its head to become economic relevance to business and industry in the knowledge society.

Since then the most conspicuous features of neoliberal policy have been the attachment of price tickets to public services and the pursuit of self-financing. These policies have been and are being implemented by a new class of managers who justify their approach with reference to free market ideology but who at the same time have introduced an unprecedented network of controls.

This essay analyzes how neoliberal ideology conceives of the public sector in general and, in particular, how this translates to an economic higher education sector.[2] My first thesis is that neoliberal policies in the public sector—known as New Public Management (NPM)—are characterized by a combination of free market rhetoric and intensive managerial control practices. This combination explains the most important characteristics of NPM organizations. My second thesis is that NPM policies employ a discourse that parasitizes the everyday meanings of their concepts—efficiency, accountability, transparency, and (preferably excellent) quality—and simultaneously perverts all their original meanings. My third thesis is that the economic NPM definition of education ignores the most important aspects of the education process and therefore poses a fundamental threat to education itself. I will develop the argument that NPM managerialism ironically shows extremely interesting similarities to the type of managerialism found in former Communist states. My fourth thesis is that the NPM discourse can be termed a bullshit discourse, in the

2. The UK and the Netherlands have been the forerunners of neoliberal higher education policies in Europe. See Terence Karran, "Academic Freedom in Europe: A Preliminary Comparative Analysis," *Higher Education Policy* 20 (2007): 289–313; *Les Ravages de la "modernisation" universitaire en Europe*, ed. Christophe Charles and Charles Soulié (Paris 2007); Grahame Lock and Chris Lorenz, "Revisiting the University Front," *Studies in Philosophy and Education* 26 (2007): 405–18; and *If You're So Smart Why Aren't You Rich? Universiteit, Markt, and Management*, ed. Lorenz (Amsterdam, 2008).

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sense ascribed to this concept by Harry G. Frankfurt.[3] This can explain the hermetic, self-referential nature of the NPM discourse and the fact that NPM ideology has proved to be completely resistant to all criticism for over thirty years.

Of course there is a wide variety of higher education institutions and a steep hierarchy among them, ranging from poor public and private professional colleges to rich private elite and flagship state universities. Moreover, the border between private elite and flagship state universities in the US is becoming vaguer as top public universities have become more and more dependent on private funding since the 1980s.[4] Therefore the effects of NPM have also been varied in the different university subsystems, although in a direct sense they are restricted to public institutions, which explains why private elite universities have remained relatively unscathed by NPM.

Neoliberalism and New Public Management (NPM)

NPM is the neoliberal dream of the free market economy and *homo economicus*, and it shows no necessary connection with the economic reality of today or of the past. This is tellingly illustrated by the present crisis in private financial markets in the US and Europe, which only keep on functioning through continual massive injections of public funds (in other words, taxpayers' money) by the state.[5] The neoliberal dream can be broken down into four dogmas.

The dogma of the free market can best be expressed by a formula: free market = competition = best value for the money = optimum efficiency for individuals as both consumers and owners of private property.[6] The consumer is conceived as an owner of private property and as a share-

3. See Harry G. Frankfurt, *On Bullshit* (Princeton, N.J., 2005).

4. See Christopher Newfield, *Unmaking the Public University: The Forty-Year Assault on the Middle Class* (Cambridge, Mass., 2008).

5. Karl Marx's view that capitalism is an economic system characterized by structural crises, in which profits are typically privatized and losses are socialized, does not seem so far off the mark in the light of the present economic crisis. The state's taking over of the banks' toxic loans is after all nothing other than the socialization of losses. Paul Volcker writes, "the central issue with which we have been grappling is the doctrine of 'too big to fail'" (Paul Volcker, "The Time We Have Is Growing Short," *New York Review of Books*, 24 June 2010, www.nybooks.com/articles/archives/2010/jun/24/time-we-have-growing-short/). For neoliberalism, see John Quiggen, *Zombie Economics: How Dead Ideas Still Walk among Us* (Princeton, N.J., 2010), and Colin Crouch, *The Strange Non-Death of Neoliberalism* (Cambridge, 2011).

6. The myth that capitalism developed *historically* in competitive free markets has been effectively refuted by Ferdnand Braudel, *Civilisation matérielle, économie, et capitalisme, XVe–XVIIIe siècle* (Paris, 1979). For the relationship between classical liberalism and neoliberalism, see Lars Bertenbach, *Die Kultivierung des Marktes: Foucault und die Gouvernementalität des Neoliberalismus* (Berlin, 2007), pp. 41–128.

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holder in an economy organized on a commercial basis. It is in the interests of individuals as shareholders that the market economy functions freely. It is the task of the state therefore to remove all obstacles in the way of free markets, like preventing the rise of monopolies.[7] The legitimacy of the state in neoliberalism is not given but is dependent on its enabling functions for the economic market. The state and the citizen are thus primarily conceived in economic rather than legal terms; the state emerges primarily as a shareholders' state and not as a state under the rule of law *(Rechtstaat)*. The individual is basically represented as an entrepreneur.

Neoliberalism simultaneously shifts its focus from rights to risks; it represents "risk society," job insecurity, and "flexibility" to be the normal, present-day "global" condition.[8] Neoliberalism thus silently uncouples the globalized individual from fundamental rights formerly connected to national citizenship, like the right to schooling and welfare. It trades all these civil rights for one new right: the right to buy services on the privatized service market.

The functioning of free markets assumes the existence of companies that are privately owned. The dogma of the private company implies that the job of the state is to remove all obstacles to private ownership of companies, in particular former state-owned companies. All former state activities in the domains of education, social security, and health care can be privatized and commodified so that they can be made efficient and profitable. In neoliberalism collective goods don't exist, in contrast with classical liberalism.

The functioning of free markets assumes well-organized companies. Well-organized companies are in the interest of all shareholders because optimal management results in optimal efficiency and thus in optimal shareholder value. The management dogma makes the task of the state to remove all obstacles to efficient management. Because management equals efficiency in neoliberalism, it is Value for Money (VFM) by definition.[9] NPM is VFM.

The functioning of free markets assumes the presence of well-informed consumers who have sufficient purchasing power and can make rational, individual choices to buy goods and services based on their individual

7. Monopolies and other "imperfections of the market" are also according to "modern" social democrats the basic problem of higher education. See Rick van der Ploeg and Bas Jacobs, "How to Reform Higher Education in Europe," *Economic Policy* 21 (July 2006): 584–85.

8. Cris Shore, "Audit Culture and Illiberal Governance: Universities and the Culture of Accountability," *Anthropological Theory* 8 (July 2008): 280; hereafter abbreviated "AC."

9. See also Richard Münch, *Globale Eliten, lokale Autoritäten: Bildung und Wissenschaft unter dem Regime von PISA, McKinsey & Co.* (Frankfurt, 2009) and *Akademischer Kapitalismus: Über die politische Ökonomie der Hochschulreform* (Berlin, 2011).

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preferences. The consumer dogma makes the task of the state to remove all obstacles standing in the way of private consumers exercising their purchasing power, as well as obstacles to market transparency. The ideology of consumerism also transforms citizens into consumers: "The citizen has become a customer and thus behaves as a consumer, obtaining maximum service for a minimum in taxes and premiums paid to the anonymous state."[10] Thus consumerist ideology provides the justification to abolish all interference with fair market relationships, including taxation. This anti-tax viewpoint is most deeply rooted in the US, but it is increasingly being heard in Europe, too (for instance, as an argument for introducing a flat tax).

Fundamentally NPM is the application of these four dogmas of the neoliberal economy to the domain of what used to be called the public sector. The public sector is redefined by NPM as a service sector that functions best when it operates in accordance with the principles of the free market. The neoliberal denial of any other organizational principles than the market is something radically new because classical liberalism has emphasized the autonomy of the public sector (protected by law) from interference by the private sector. This was the essence of liberalism compared with feudalism.[11] Market fundamentalism is therefore the very core of neoliberalism.

NPM was developed in the US in the 1980s and was soon adopted by the UK, Australia, New Zealand, the Netherlands, and Sweden. In the meantime varieties of NPM have literally spread worldwide and continue to do so. Since 1999 NPM is being advertised in Europe as the Bologna Process and is also being exported by the EU outside Europe, especially to Latin America. Because in the EU educational policies are channelled through the national states Bologna-NPM exists in many national varieties.[12]

The development of NPM and the rise of entrepreneurial government in the US sought to reform the public sector by implementing serious cuts in public spending. The arrival of NPM in England is marked by private sector management techniques and management strategies. In higher ed-

10. Walter Kickert, "Steering at a Distance: A New Paradigm of Public Governance in Dutch Higher Education," *Governance* 8 (Jan. 1995): 142.

11. Frank Ankersmit, "De plaag van de transactiestaat," in *De Tien Plagen van de Staat: De Bedrijfsmatige Overheid Gewogen,* ed. Ankersmit and Leo Klinkers (Amsterdam, 2008), p. 37.

12. See, for recent overviews, *Evaluating Academia: Between Old Hierarchy and New Orthodoxy,* ed. Barak Kalir and Pál Nyíri, *EspacesTemps.net*, 12 July 2010, www.espacestemps.net/document8318.html; "The Bonfire of the Universities," *Eurozine*, 7 Jan. 2010, www.eurozine.com/comp/focalpoints/bologna.html; and EU-Working Group on the External Dimension of the Bologna Process, "*External Dimensions*" *of the Bologna Process*, www.docstoc.com/docs/78351998/External-Dimension

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ucation the Thatcher government introduced league tables relying on quantifiable indicators that claimed to rank institutions by the quality of their teaching and research. This policy systematically reduced the grip that the academic professions had on their own autonomy because "the withdrawal of trust in its universities by the government has forced it to create bureaucratic machinery and formulas to steer and manage the universities from outside the system."[13] Its typical consequence has been "the rise of a regime of bureaucrats, inspectors, commissioners, regulators and experts which . . . is eroding professional autonomy" and a move away from the disciplines, being the former fortresses of the professions ("AC," pp. 282–83). Pushing interdisciplinarity therefore has become one of the NPM policy objectives.

These elementary observations make the NPM claim to be antibureaucratic suspect from the outset.[14] This should not come as a surprise because, given the evident absence of a market mechanism in the public service sector, the prices of services in the quasi-markets created by the state must be organized according to a different principle. In NPM quasi-markets the open place of the market mechanism has been taken over by the notion of efficiency. And because efficiency, unlike the concept of effectiveness, is a concept that is entirely without substance (because effectiveness assumes that one is trying to bring about a certain effect or reach a specific goal), the essence of the NPM discourse turns out on closer inspection to consist of the notion of cost-efficiency.

All notions of efficiency are derived from the notion of mechanical efficiency, the ratio of a system's work output to its work input. The efficiency of a real system is always less than one because of friction between moving parts. In a theoretically frictionless machine, the work input and work output would be equal, and the efficiency would be one, or 100 percent.[15] Effectiveness, in contrast, is the power to be effective, that is, the quality of being able to bring about an effect. Nevertheless the concepts of efficiency and effectiveness are regularly interchanged. This interchange in

13. M. Trow cited in Jim Barry, "The New Public Management and Higher Education: A Human Cost?" in *Questioning the New Public Management*, ed. Mike Dent, John Chandler, and Barry (London, 2004), pp. 164–65. Martin Parker and David Jary write, "'quality' research, like 'quality' teaching and administration, will require bureaucratized regimes of surveillance to ensure that it is achieved, labeled and rewarded" (Martin Parker and David Jary, "The McUniversity: Organization, Management, and Academic Subjectivity," *Organization* 2 [May 1995]: 328; hereafter abbreviated "MU").

14. See Mario Coccia, "Bureaucratization in Public Research Institutions," *Minerva* 47 (Mar. 2009): 31–50.

15. See *Encyclopædia Britannica Online Academic Edition*, s.v. "mechanical efficiency," www.britannica.com/ebc/article-9363449

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fact explains the positive appeal of efficiency in NPM discourse and why NPM discourse always remains silent about the degree of efficiency it is striving after.[16]

In practice cost-efficiency in NPM discourse is usually interpreted as at least the self-financing of organizations, and if possible it is expected to make them profitable. Thus, it is not surprising that the introduction of NPM into the former public sector has manifested itself in the guise of permanent reductions in costs, that is, permanent spending cuts. This trend is evident in the typical combination of (1) a constant decrease in the level of service; (2) a constant decrease in the level and quality of employment in the former public sector, which comes down to a steady process of deprofessionalization and a reduction in the number and the quality of jobs; and (3) constantly rising prices for the consumers of services such as education, health care, and social security.[17] Applied to higher education, the introduction of NPM manifests itself in the following four tendencies: (1) a continuous worsening of the faculty/student ratio, which manifests itself in among other things ever increasing teaching loads for faculty and continuing enlargements of scale in education.[18] Online instruction is therefore increasingly replacing face-to-face education. (2) Faculty are decomposing into a shrinking core of tenured faculty and a growing periphery of part-time, temporary faculty hired for one year, one semester, or one course. This boils down to the structural substitution of inflexible and expensive faculty—especially tenured, full-time professors—by flexible and cheap staff—especially untenured, part-time adjuncts, teaching assistants, and symbolic professors.[19] In the risky neoliberal world, jobs and social security for faculty are definitely passé. In the US almost two thirds of teaching is now done by untenured faculty under increasingly worsen-

16. See *Webster's Online Dictionary,* s.v. "effectivity," *www.websters-online-dictionary.org/definition/effectivity*, and Michael Mulreany, "Economy, Efficiency, and Effectiveness in the Public Sector: Key Issues," in *Efficiency and Effectiveness in the Public Domain,* ed. T. P. Hardiman and Mulreany (Dublin, 1991), p. 7.

17. The recent raising of the age of entitlement to pension by two years in Germany, France, and the Netherlands is the most recent example of this.

18. See Barry, "The New Public Management and Higher Education." For the US, Parker and Jary refer to "more competition to publish, more teaching, more administration" as "a source of demoralization for many" ("MU," p. 328). For the UK, Shore mentions "a substantial increase in workloads and in stress-related illnesses" ("AC," p. 282). For the experience of increasing workstress and self-exploitation, see especially Rosalind Gill, "Breaking the Silence: The Hidden Injuries of the Neoliberal University," in *Secrecy and Silence in the Research Process: Feminst Reflections*, ed. Roísín Ryan Flood and Gill (London, 2010), pp. 228–44.

19. See Frank Donoghue, *The Last Professors: The Corporate University and the Fate of the Humanities* (New York, 2009), pp. 55–83; "MU," p. 327; and "AC," p. 282. Symbolic professors, like the *bijzonder hoogleraar* (special professor) in the Netherlands and the *auβerplanmäβige Professor* (supplementary professor) in Germany, get the title but not the income.

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ing conditions, creating a class of "scholar gypsies."[20] (3) Teaching and research are continuously dissociated; the proportion and quantity of teaching is increasing. More and more faculty are hired only to teach temporarily. Simultaneously academic research is being outsourced and commodified.[21] (4) Tuition fees are increasing, and the duration of studies is being reduced, for instance, through the introduction of the BA/MA structure in the EU following the Bologna Declaration in 1999. NPM manifests itself in an ongoing rise of the (absolute and relative) price of education and in the permanent acceleration in its regime of time for both faculty and students. Increasing student debt and decreasing faculty income therefore are direct consequences of NPM policies.

Because there are no substantial aims at all behind NPM policy, each cut in spending is simply a springboard to the next.[22] Efficient, therefore, is never efficient enough. The distinction Max Weber makes between a substantial rationality based on values and a formal or instrumental end-means rationality is simply rendered invisible by NPM discourse, which buries the notion of substantial effectiveness under that of formal efficiency. Consequently, the instrumental end-means rationality is the only type of rationality that is recognized as rational within NPM discourse.

The hegemony of this type of rationality since the 1980s has aptly been characterized as the McDonaldization of society. We need not be surprised therefore that universities have been changing in the direction of academic capitalism in the form of entrepreneurial McUniversities.[23] This development boils down to "a move from elite specialization with strong professional controls towards a 'Fordist' mass production arrangement."

20. Donoghue, *The Last Professors*, p. 56; see also Cary Nelson, *No University Is an Island: Saving Academic Freedom* (New York, 2010), p. 81.

21. See *The Commodification of Academic Research: Science and the Modern University*, ed. Hans Radder (Pittsburgh, 2010).

22. Egbert de Weert reports a 30 percent reduction in faculty since the eighties for the Netherlands. Funding per Dutch student has almost halved since the 1980s. In the UK funding per student dropped 36 percent between 1989 and 1997; see Egbert de Weert, "Pressures and Prospects Facing the Academic Profession in the Netherlands," *Higher Education* 41 (Jan.–Mar. 2001): 77–101. In Germany the number of students per professor in the humanities has almost doubled since 1990. See Ulrich Herbert, "Der Abschied von der Volluniversität ist längst vollzogen," *Frankfurter Allgemeine Zeitung,* 27 May 2010, bit.ly/vrElZr, and Stefan Collini, "Browne's Gamble," *London Review of Books,* 4 Nov. 2010, pp. 23–25.

23. See George Ritzer, *The McDonaldization of Society* (Thousand Oaks, Calif., 2004); Sheila Slaughter and Gary Rhoades, *Academic Capitalism and the New Economy: Markets, State, and Higher Education* (Baltimore, 2004); Andrea Liesner, "Education or Service? Remarks on Teaching and Learning in the Enterpreneurial University," *Educational Philosophy and Theory* 38 (Aug. 2006): 483–96; Henry Etzkowitz, "The Evolution of the Entrepreneurial University," *International Journal of Technology and Globalisation* 1 (2004): 64–77; Münch, *Akademischer Kapitalismus;* and "MU."

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"Greater managerial power, structural reorganization, more emphasis on marketing and business generation, moves towards preformance-related pay and a rationalization and computerization of administrative structures are all characteristic of the New Higher Education organization" as is standardization of all performances ("MU," pp. 321, 320). The unstoppable rise of league tables—the ranking of citations, individual researchers, research groups, institutes, and whole universities—is an integral part of this development in the direction of audit cultures and an audit society.[24] And, as Shore observes, league tables simultaneously produce winners and losers, and "the policy of naming and shaming failing institutions has become an annual ritual in humiliation" ("AC," p. 286).

The same holds for the unstoppable rise of "accreditation agencies" that replace professional controls by handing out "stamp[s] of quality" to individual departments and that determine whether they "serve the demand of the market."[25] So here again NPM boils down to the notions that market rhetoric is good, and central control is better.

Even though it has been such a radical change, the colonization of higher education by management has never been openly discussed, as the hegemony of neoliberalism makes such discussion impossible, even after the financial crisis.[26] Walter Kickert has admitted that the "autonomy" granted to Dutch universities in the eighties through the policy of "steering at a distance" came down to an autonomy to decide how to implement serious cuts, which unintentionally indicates what the NPM idea of autonomy is.[27]

Remarkably the case has never been properly made for why the professional autonomy of academics should be mistrusted and bureaucratic formalism preferred. It is a crucial presupposition that is built into NPM discourse and is therefore not open to debate and criticism. The same applies to the question of who controls the controllers under NPM, as it should be clear by now that the problem of control has not been solved by NPM but merely shifted from the professionals to the managers. However,

24. See *Audit Cultures: Anthropological Studies in Accountability, Ethics, and the Academy*, ed. Marilyn Strathern (London, 2000). For university rankings, see Rachelle L. Brooks, "Measuring University Quality," *Review of Higher Education* 29 (Fall 2005): 1–21. For both audits and ranking, see Münch, *Akademischer Kapitalismus,* pp. 94–132, 155–236.

25. Münch, "Bologna, or the Capitalization of Education," trans. Simon Garnett, *Eurozine*, 7 Jan. 2010, www.eurozine.com/articles/2010-07-01-munch-en.html

26. For managerial "colonisation," see Dent, Chandler, and Barry, "Introduction: Questioning the New Public Management," in *Questioning the New Public Management*, p. 2.

27. Kickert, "Steering at a Distance," p. 135. In Kickert's view the switch from the traditional top-down management to "steering at a distance" is also a switch "from coercion to persuasion" (p. 140).

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there is no evidence at all that this shift in any way represents an improvement, while there is clear evidence supporting the opposite view, as well as evidence of the adverse effects of managerial control regimes on professional motivation.[28] Moreover, while checking is necessary in situations of mistrust, "checking itself requires trust—trust in measures used, trust in sources of information."[29] Turning a blind eye to professional trust, NPM is meanwhile changing the university into "a fast-food outlet that sells only those ideas its managers believe will sell, that treats its employees as if they were too devious or stupid to be trusted, and that values the formal rationality of the process over the substantive rationality of the end" ("MU," pp. 335–36).

What NPM comes down to in practice has been summarized by Mike Dent and Jim Barry into six processes: (1) increasing the breakup of public sector organizations into separately managed units, (2) increasing competition to use management techniques from the private sector, (3) increasing emphasis on discipline and sparing use of resources, (4) more hands-on management, (5) introduction of measurable indicators of performance, and (6) use of predetermined standards to measure output.

These processes manifest themselves in an increasing concentration in NPM on the supervision and regulation of the public sector through mechanisms such as audits and inspections.[30] This emphasis on control brings to light the first hidden substantial aspect of NPM managerialism that is reminiscent of state Communism. Like Communism, NPM is totalitarian because it leaves no institutionalized room for criticism, which it always sees as subversion:

> Because managerialism sees itself as the antidote to chaos, irrationality, disorder, and incompleteness, there are no spaces within such a social order in which autonomy can be contested legitimately. Managerial definitions of quality, efficiency, improved productivity or self-management, construct a particular version of autonomy. Those who do not desire these managerial constructs of autonomy are simply

28. See for instance Dutch professor Sweder van Wijnbergen, a big fan of free market economics, who describes the managerial business ethics as a pure greed model: "Managers grab as much as possible, and the only brake on them is public scandal; since no one understands what is going on inside investment banks, it could get even further out of hand" (Sweder van Wijnbergen, "Dit is niet het einde van het Kapitalisme" [This Is Not the End of Capitalism], *NRC-Handelsblad*, 11 Oct. 2008, vorige.nrc.nl/article2019547.ece; my trans.)

29. Strathern, "Introduction: New Accountabilities," in *Audit Cultures*, p. 7.

30. See Dent and Barry, "New Public Management and the Professions in the UK," *Questioning the New Public Management,* p.8.

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> defined as absurd, as under managerialism, these notions appear as self-evidently "good."[31]

The German sociologist Ulrich Beck recently coined the term *McKinsey Stalinism* in this context.[32]

The introduction of permanent control over faculty—which is unprecedented at least in the history of universities in democracies worthy of the name—is nothing other than the introduction of a culture of permanent mistrust. That is the second attribute that NPM shares with state Communism.[33]

The qualispeak of NPM exploits the indisputable fact that in Europe, North America, and Australia higher education is largely financed by public funds and founded on the idea that taxpayers—the shareholders in the state—are entitled to know that their money is being spent efficiently and transparently. NPM is VFM and thus the best of all possible worlds. In this respect NPM is the privatized heir of state Communism. Managers who make higher education "efficient" and "transparent" by exercising constant control over the faculty are represented as the form that "accountability" to taxpayers and consumers takes in the former public domain. "Accounting," that is, the dual process of counting and being required to account for what one does, is central to this process ("MU," p. 325). The management itself in NPM, just like the party in state Communism, is outside all control and accountability because the management by definition represents both efficiency and accountability. That is the third attribute that NPM shares with state Communism. The question of whether managers really do spend taxpayers' money more efficiently and whether they are more reliable than faculty cannot be asked in NPM. Nor may one ask whether the cost of the management controls are less than the money saved on inefficient academic personnel. The fact that there is not a shred of evidence for these two crucial assumptions of NPM—rather the opposite—makes abundantly clear where the blind spots lie in NPM.[34] That all the recent economic scandals— from Enron, WorldCom, and Barings to the Lehman Brothers—happened despite constant audits

31. Patrick Fitzsimons, "Managerialism and Education," *Encyclopedia of Philosophy of Education*, 1 July 1999, www.ffst.hr/ENCYCLOPAEDIA/doku.php?id=managerialism_and_education

32. See Ulrich Beck, "Die Wiederkehr der Sozialdarwinismus," *Frankfurter Rundschau,* 5 Feb. 2010, bit.ly/rZyrbq, and Münch, *Akademischer Kapitalismus,* pp. 68–155.

33. Shore writes, "audits often create the very mistrust they are supposed to alleviate" ("AC," p. 280). See also Benjamin Ginsberg, *The Fall of the Faculty: The Rise of the All-Administrative University and Why It Matters* (Oxford, 2011).

34. Since 1997 the salaries of top managers in the Dutch universities have risen to unprecedented levels, while the faculty's salary has consistently fallen. In Germany the salaries

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furnishes some extra empirical food for critical thought on both management and audits.

This brings us up against a fourth interesting similarity between neoliberal managerialism and state Communism: just as the Party by definition represents the interests of those who are led by the Party, so according to NPM management represents the interests of those who are managed. That is why NPM management models allow no place for representative bodies, which are only seen as a hindrance to administrative efficiency. And were undeniable irregularities in management practices to occur, then an individual manager eventually may be criticized or dismissed, but management itself can never be challenged.[35] Neither the NPM nor the state Communist discourse will accept any criticism of their core practices and key personnel as legitimate because criticism is identified with lack of loyalty to the organization and so is seen as fundamentally subversive.

New Public Management and the Break Up of Academic Professions into Controllable Processes

NPM is an organizational discourse that promotes and legitimizes the takeover of power by managers in public organizations that were formerly run by professionals in accordance with their standards. Professions, unlike ordinary occupations, are defined by the following characteristics:[36]

1. Mastery of specialist theoretical knowledge. The professional has to acquire specialist knowledge through extended education and training.
2. Autonomy and control over the work and how the work is done. This is the most important characteristic of a profession.
3. Being motivated by intrinsic rewards and the interests of clients, which take priority over the professional's own interests. This, of course, does not mean that professionals have no interests.[37]

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of new professors have decreased by almost 30 percent. See *De Onderwijsbubbel: Over Kennisverarming en Zelfverrijking,* ed. Fenna Vergeer (forthcoming).

35. Tony Cutler argues that "'failure' leads to pressures to change management and structures but *not* to abandon a belief in the efficacy of management." This amounts to a situation in which "the managers have failed, long live management" (Tony Cutler, "Making a 'Success' out of 'Failure': Darker Reflections on Private and Public Management," in *Questioning the New Public Management*, p. 207).

36. See Keith Roberts and Karen Donahue, "Professing Professionalism: Bureaucratization and Deprofessionalization in the Academy," *Sociological Focus* 33 (Oct. 2000): 365–83, esp. 366–68, hereafter abbreviated "PP"; and Rakesh Khurana, *From Higher Aims to Hired Hands: The Social Transformation of American Business Schools and the Unfulfilled Promise of Management as a Profession* (Princeton, N.J., 2010), pp. 8–12.

37. See Pierre Bourdieu, *Homo Academicus*, trans. Basil Blackwell (Stanford, Calif., 1988).

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4. Being committed to a professional career and the objectives of the service provided by the organization the professional works for. For professionals their identity is mainly bound to the profession, not to management aims geared to profit and efficiency.
5. A sense of commitment and collegiality in the professional group and a sense of responsibility to colleagues. The professional body operates as an internal control both for admitting people to the profession and for maintaining professional standards.

There is an inherent conflict between bureaucracy and professionalism because they operate from opposing principles and beliefs with respect to aims, authority, and loyalty:

> First, bureaucracy expects its members to promote and represent the interests of the organization: the professional expects the interests of the client to be supreme. . . . Second, bureaucracy sees authority as residing in legal contracts that are backed by legal sanctions. As utilitarian and goal-driven formal organizations, bureaucracies focus on contractual arrangements and formal structures. By contrast, professionals tend to think of authority being rooted in expertise of the person holding the position rather than in the power of the status itself. Along these same lines, bureaucracies expect their members to comply with directives of the organization; professionals, by contrast, expect to be guided by the ethical standards of their field as spelled out by professional associations. Because professionals develop a reference system focussing on professional colleagues, they are typically more concerned with maintaining a reputation with peers in their field than they are with pleasing organizational superiors. ["PP," p. 368]

The formal rationalism of bureaucracies—and managerialism in the public sector is just a modernized version of bureaucracy—is therefore incompatible with the fundamental motives and the mindset governing the work of professionals.

NPM implies a management model that analyzes all organizations (universities, hospitals, railways) as if they all have the same formal structure and they consist of identical input/output processes, which can be

Since the 1970s the criticisms of Ivan Illich and others has been feeding mistrust of professionals.

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quantified and controlled by management. In theory the manager's job is to make these processes as efficient as possible.[38]

NPM conceives of education as the faculty production of credit points (input) and the student consumption thereof (output), usually in the form of standardized units called courses or modules. A module is defined in terms of a fixed quantity of time investment by both its producers and its consumers. Moreover, it is characteristically independent of its producers (professional teachers) because it has a standardized (online) form and content, formatted by commercial course management corporations like Blackboard and Pearson-eCollege. Online modules typically are no longer owned by their direct producers—the faculty—but by management, as David Noble has rightly emphasized. The modularization or granularization of higher education thus forms an essential station on its way to commodified instruction.[39]

The basic idea and drive behind the Bologna Process is to standardize all of higher education in Europe in terms of interchangeable modules. If successful, Bologna will deterritorialize all higher education in the EU and create one integrated European higher educational market, with the European Credit Transfer System (ECTS) point functioning as the educational equivalent of the euro.[40]

Management in practice, however, differs somewhat from management discourse in at least two fundamental respects. The breaking up of professions into processes may work in theory, but in practice this discourse runs up against a number of fundamental problems on the question of the recognition of both professionals, who work under the leadership of a manager, and of the managers themselves.[41]

The first problem of recognition is the clearest. As NPM only uses quantitative criteria to control the quality of professional activities, this in itself

38. See Ad Verbrugge, "Geschonden beroepseer," in *Geschonden beroepseer*, ed. G. van den Brink (Amsterdam, 2005), pp. 118–19.

39. See David F. Noble, *Digital Diploma Mills: The Automation of Higher Education* (New York, 2002), pp. 37–50; Donoghue, *The Last Professors*, pp. 105–11; and Liesner, "Education or Service?" pp. 486–87.

40. See Lorenz, "Will the Universities Survive the European Integration? Higher Education Policies in the EU and in the Netherlands before and after the Bologna Declaration," *Sociologia Internationalis* 44 (2006): 123–53, and Paul L. Gaston, *The Challenge of Bologna: What United States Education Has to Learn from Europe and Why It Matters That We Learn It* (Sterling, Va., 2010).

41. "It has been questioned whether the present system of academic ranks and chairs, based on criteria derived from research performance is still appropriate or whether this should not be replaced by a more flexible system that acknowledges different task components." This would give "an impetus to human resource management," including "staff assessment and appraisal schemes, as well as merit pay" (de Weert, "Pressures and Prospects Facing the Academic Profession in the Netherlands," p. 98).

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creates enormous inefficiency with respect to both the job motivation and job satisfaction of those who used to be professionals.[42] The introduction of the management model implies the abolition of qualitative professional criteria, including its own regime of time, and their replacement with an entrepreneurial model of faculty subjectivity based on quantitative output criteria. In Dutch universities, for example, it is no longer the quality of student attainment as assessed by the faculty that really matters but quantitative output criteria and ranking objectives as decreed by management. An example is the obligation to pass a certain percentage of students within the formal duration of their courses.[43] Conformity with standardized output criteria at the level of the organization is ensured by directly coupling the funding of educational organizations to fulfilment of these output criteria. The Ministry of Education in the Netherlands planned to introduce pure output financing from 2011 onwards.

The logic of this management model also implies that financial incentives to enforce conformity with output criteria can ultimately be translated to individual faculty members via individualized contracts and performance-related pay. NPM does not need to explain why management and not the profession decides what counts as performance. For this reason the introduction of the management model itself is a process of deprofessionalization. One should not be surprised at this, as the introduction of performance-related pay is a known tool to deprofessionalize professional groups. Roberts and Donahue write, "merit pay is an effective method of deprofessionalizing a college faculty" ("PP," p. 373).

The consequences of this deprofessionalization process for the motivation of faculty are serious: "Since the faculty is the heart of the intellectual life of any university, the demoralization and demotivation of faculty is an especially serious issue" ("PP," p. 365). Combined with the ever increasing pressure of work and the abolition of the professional regime of time, this process undermines the essence of what drives academics to do what they do.[44] Performance-related pay replaces professionals' intrinsic satisfaction with a system of externally driven rewards and at the same time allows management to divide-and-conquer. The introduction of NPM into or-

42. See also Jürgen Habermas, "What Does a Crisis Mean Today? Legitimation Problems in Late Capitalism," *Jürgen Habermas on Society and Politics: A Reader*, ed. Steven Seidman (Boston, 1989), pp. 275–80.

43. See Lorenz, "The Myth of the Dutch Middle Way," *Wissenschaftsrecht* 33 (2000): 189–209.

44. See Berg, Barry, and Chandler, "The New Public Management and Higher Education," p. 167. For the problem of time, see Dick Pels, *Unhastening Science* (Liverpool, 2003).

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ganizations that used to be run as professional organizations therefore guarantees chronic job dissatisfaction.[45]

On closer consideration, therefore, NPM itself turns out to be the problem in higher education, not the solution. This conclusion should come as no surprise because NPM is the neoliberal recipe for minimizing the public sector and maximizing the market sector without considering the fundamental differences between the public and private sectors or their complementary relationship. NPM in this respect bears a clear resemblance to state Communism. Whereas Communism stands for totalitarianism of the public sector, NPM stands for totalitarianism of the private sector. Both Communism and NPM are blind to the interdependence and complementarity of public and private domains, in both cases with disastrous consequences.

In view of the chronic problems created by NPM for the ("elitist") academic profession it is not surprising that ("democratic") political support for it has been entirely dependent on VFM ideology and corresponding spending cuts in public services that could be sold to the taxpayer as income tax cuts. This has been the neoliberals' most powerful tactic in generating public support for NPM, and this explains why public sector cuts through constant improvements in efficiency are a permanent feature of NPM. The imperative to cut spending (thou shalt reduce costs) has not, on the other hand, held the managers back from awarding themselves salaries at some presumed market rate. This is possible because under NPM managers do not have to hold themselves accountable to anyone other than themselves. I have already pointed out the similarity in this respect to the Communist politbureau. The privatization of former public services has therefore been accompanied by a steady rise in the incomes of NPM managers, sometimes including sizable premiums. This brings me to the second problem that is typical of NPM.

The second fundamental problem of recognizing where management practice is essentially different from management theory manifests itself in the chronic lack of recognition of what the managers themselves are facing. Because the organizations that they are managing were formerly professional organizations, which were run on the basis of professional standards and professional hierarchies, managers are confronted with a structural problem of authority and legitimacy towards the former professionals in their organization. Their solution to this problem has been to apply a number of management strategies:

First, as NPM managers lack professional authority within their organizations, they are thus forced to resort to techniques for exercising power.

45. See Barry and Dent, "New Public Management and the Professions in the UK."

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This shift manifests itself in a tendency to manipulative and strategic behavior. Whereas faculty until the 1980s generally were used to some form of deliberative procedures in accordance with the practice of shared governance, faculty under NPM increasingly have to deal with orders from the management. While modern management theories argue for flat and flexible horizontal organizations in the private sector, NPM has created a rigid hierarchy in higher education, naturally with managers at the top of each local pyramid.[46] Information, especially financial information, is increasingly treated as the private property of management. Money is power, and so is information about money.

Because they lack professional authority, managers are inclined to treat any lack of cooperation on the shop floor as a threat to their position and as subversion. Those who dare to cast doubt on their decisions can therefore count on pressure, blackmail, divide-and-conquer tactics, and open humiliation. Because the discipline of the market does not play a role in the NPM sectors, there are scarcely objective constraints on managers' freedom toward their employees.[47] After all, where profit does not exist as an objective criterion for the performance of the organization, the managers themselves decide what performance is. Consequently, rationally organized NPM organizations tolerate a staggering range of irrational management practices under the wide, protective, ideological umbrella of efficiency. In these two respects (the lack of objective reality checks and the resultant unconstrained power of management) organizations in the quasi-market sector under NPM and party organizations under state Communism again show striking similarities. In both types of organization the scope for irrational management practices is virtually unlimited.[48]

Second, one strategy for dealing with the lack of professional authority and legitimacy of management vis-à-vis employees is the continuous expansion of management staff in NPM organizations. To understand this sustained expansion of management better, it is useful to distinguish three aspects of this growth: the functional, the psychological, and the tactical.

From a functional perspective, the constant growth in management staff reflects the increasing importance of the control function within the organization. As the ideological justification for introducing NPM from

46. See Luchien Karsten, "Managementconcepten in overheidsdienst," in *De Tien Plagen van de staat*, ed. F. Ankersmit and L. Klinkers (Amsterdam, 2008), pp. 61–86.

47. See Verbrugge, "Geschonden beroepseer," pp. 120–22.

48. The recent economic scandals suggest that unconstrained "irrational" management practices can also flourish *temporarily* in organizations that are regulated by the discipline of the market. The crucial difference between organizations ruled by market forces and those that are not is that *eventually* in the first category irrational management practices will come up against external reality checks, while organizations in the second category do not.

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the 1980s onwards is the efficient and transparent use of resources in public sector organizations, a constant increase in management staff is preprogrammed into NPM, and it cannot be done away with without doing away with NPM itself. Controlitis—or evaluitis—is not therefore an unfortunate disease affecting NPM but is part of its very nature (just as the power and growth of the secret police was not an accidental but an intrinsic feature of state Communism). Here too NPM itself is the problem and not the solution.[49] Interestingly enough the NPM discourse has tried to hide the sustained growth of management by claiming to do exactly the opposite of what it actually does by presenting itself as an antibureaucratic ideology and practice.

From a psychological perspective, the growth of management has also been directly linked with NPM managers' lack of professional authority and legitimacy within their organizations. Because managers do not receive recognition of their expertise from the professionals they are managing, they tend to surround themselves with kindred spirits, as a means of organizing some kind of professional recognition for themselves. "The irony of deploying organization development ideas that were intended to oppose bureaucratic forms of organization to support bureaucratization appears not to be noted, and neither does that of professionalizing management to weaken other professions" ("MU," p. 325).

Whatever the problem, the solution proposed in NPM is always more management, more efficiency, and more control—typically starting from increasing self-control (for example, in the form of standardized self-evaluations). It is no coincidence therefore that the obsessive rhetoric about professionalization started at the same time as the NPM managers made their appearance in the universities, that is to say when for the first time in their history power over the universities was given to a group that was unprofessional in the original meaning of the word. Nor is it a coincidence that it was from that moment that academic personnel started to be treated as if they needed to acquire new professional skills. *Life-long learning* is also used as a means to discipline the faculty itself.

From a third, tactical perspective, the constant growth of management has also been directly linked with NPM managers' lack of authority and legitimacy. As there is no disputing that management has its hands on the reins during reorganizations—reorganization became their speciality and is their only source of professional legitimacy—managers soon discovered

49. See also Margrit Osterloh and Bruno S. Frey, "Die Krankheit der Wissenschaft," *Frankfurter Allgemeine,* 21 July 2007, bit.ly/u7Fx95; "Das Peer-Review-System auf dem ökonomischen Prüfstand," in *Illusion der Exzellenz: Lebenslügen der Wissenschaftpolitik*, ed. Jürgen Kaube (Berlin, 2009), pp. 65–74; and Münch, *Akademischer Kapitalismus.*

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that it is best for them to keep their institutions in a permanent state of reorganization. The unrelenting organizing of reorganizations—and splitting up professional jobs into processes that can be managed, measured, and controlled—have therefore become the quintessential specialization of management. The fact that reorganization also is the easiest means of disconnecting employees from former faculty rights—like shared governance, tenure, and academic freedom[50]—adds to this managerial drive, furthering their organizations' flexibility.

Because NPM assumes that enlargement of scale leads to reduced costs (and therefore efficiency), in a risky and globalized environment there is always an objective need to make organizations more competitive both nationwide and globally. Crises, real and imagined, only strengthen this need.

The NPM Discourse: Efficiency, Quality, Accountability, Transparency, and Flexibility

The NPM discourse is formed not only by its fundamental concept of efficiency but also by quality, transparency, accountability, and flexibility. All NPM notions parasitize their equivalents in the vernacular.

As stated earlier, NPM was propagated in the eighties as the means to make the public sector efficient and transparent and thus accountable. These ideas did not seem very controversial because the concept of accountability was a positive one borrowed from its everyday use, as Bruce Charlton explained. In the spoken language *accountability* means "being responsible," with the connotation of giving an account of one's actions. Its opposite *unaccountable* is more or less synonymous with "irresponsible" and "not being under control." "Accountability is assumed to be an intrinsically desirable goal, and nobody ever claims that one can have 'too much' accountability—the pressure is always for more."[51]

Alongside this everyday meaning, *accountability* also has a narrower, technical meaning: the duty to present verifiable accounts.

> Originally, this referred to financial documentation that was adequate in terms of completeness and self-consistency—such that it is amenable to the process of cross-checking which constitutes the basis of au-

50. See Nelson, *No University Is an Island,* pp. 31–51.

51. Bruce Charlton, "Audit, Accountability, Quality, and All That: The Growth of Managerial Technologies in UK Universities," in *Education! Education! Education! Managerial Ethics and the Law of Unintended Consequences,* ed. Stephen Prickett and Patricia Erskine-Hill (Charlottesville, Va., 2002), pp. 18, 17; hereafter abbreviated "AA."

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> dit.[52] The current managerial use of accountability is a direct extension of this financial usage—an accountable organization is one that has the duty to present auditable accounts of its *activities*—in other words an accountable organization is one that will provide comprehensive and self-consistent documentation of whatever it does. ["AA," p. 18][53]

Audits thus produce transparent organizations—at least in management theory.

NPM discourse swings back and forth between the technical and vernacular meanings of accountability. When used in the technical sense it can generate "irresponsible" behavior because there are no accounts when there is no evidence at all that the behavior is irresponsible in the standard everyday meaning of the word. In this way the NPM discourse of accountability actually produces the problems that it aims to solve and in this sense is self-referential: "Accountability in its technical sense carries almost the opposite meaning to those democratic, egalitarian, radical and 'empowering' values that are associated with the term in general use" ("AA," p. 19; see also "AC," p. 281).

From an organizational perspective, the call for greater accountability goes hand in hand with more power for management; in fact, under NPM all behavior is classed as irresponsible (and therefore unacceptable) if it is not controlled by management. The management discourse of accountability and management control practices are therefore interdependent. The net effect of both is that academic personnel are effectively robbed of their professional autonomy to determine their own behavioral norms, and these are replaced by norms determined by management, which are formulated in quantitative terms. Professional autonomy then appears—mirabile dictu—as irresponsible and as elitist, while the subordination of professionals in top-down managerial control systems is presented as increased accountability and as democratic.

It is a similar story when it comes to quality and quality management in the NPM discourse: "Quality Assurance (QA) is a technical managerial term for that type of auditing which is concentrated upon systems and processes rather than outcomes. QA is built on the assumption that any properly constituted organization should be based around a system of auditing systems and processes" ("AA," p. 20). Just as with the control of

52. Audits are checks on the validity and reliability of information. Audits are therefore also performed to evaluate the internal control of systems.

53. See also Anthony McWatt, "An MOQ Perspective of SOM Auditing Techniques in Higher Education," www.anthonymcwatt.co.uk/index.htm

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accountability, QA is self-referential because QA defines quality in terms of controllable systems: "The product of a QA system is therefore quality assured by definition—without necessarily guaranteeing its excellence or fitness for use" ("AA," pp. 20–21).

The way Dutch educationalists defined quality of education in the 1980s provides a typical example of the self-referential nature of QA. The quality of education was simply defined in terms of the percentage of students who had passed each course. At the end of the first year 90 percent of students were deemed to have graduated within the set length of time in which they are supposed to complete their studies. This success rate (also known as output or educational performance) was then defined as the standard for education quality. Since then education quality has been used during audits of educational institutions to compare the performance of schools and universities, departments, and faculty.[54] Typically, like the drive for efficiency, "audit has a life of its own—a runaway character—that cannot be controlled. Once introduced into a new setting or context, it actively constructs (or colonizes) that environment in order to make it auditable. The effects are irreversible" ("AC," p. 292).

The effect of the introduction of QA has been that management definitions and controls of accountability and quality of faculty performance have replaced the extremely complex question of what quality of education consists. The complexity and quality of real education has been fatally reduced by the QA models to the quantitative pass rate. As is normal with NPM, the most crucial presumptions of QA are never questioned, and the introduction of QA has never been substantiated by reasoned argument. The NPM ideologues conveniently took it for granted that the QA system by definition would guarantee higher quality "because the pre-existing systems were undocumented, hence 'unaccountable' and lacking in 'transparency,' hence 'low quality.'" The fact that "excellent universities have employed many diverse methods to teach their students, but never in a way that would be approved by the QA," is of course merely an incidental circumstance, which only the disgruntled would let worry them ("AA," p. 23).

The paradoxical and disastrous effect of the introduction of NPM, with its self-referential notions of accountability and quality, is that someone can be an excellent teacher and researcher and at the same time be assessed as poor by the QA system. This disquieting fact illustrates the head-on

54. See Lorenz, "The Myth of the Dutch Middleway," pp. 196–203, and *Die Illusion der Exzellenz.*

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clash between the substantial values of academic professionalism and the bureaucratic formalism of NPM in its pure form.

This symptomatic fact also explains another consequence of the introduction of NPM in the academic world: the existence of widespread cynicism and hypocrisy among faculty regarding the application of QA procedures. Philip Tagg's observations on this certainly do not apply only to England:

> Most colleagues find audit exercises ludicrous but nevertheless go through the motions of complying with their imperatives lest the wrath of management be incurred. We see straight through the emperor's clothes, so to speak, but feel obliged to stifle our laughter and to hide our sense of ridicule when the emperor's minions approach us "donkeys" with their managerial sticks and carrots. Repeated viewing of the emperor in his see-through clothing — transparency in the true sense of the word—leads to understandable cynicism towards the system that forces us to carry out the ridiculous chores of audit. A recurrent quip from colleagues is that we're forced, like circus animals, "to jump through hoops." The more circus tricks we perform, the more we demean ourselves. After all, the whole idea of forcing someone to carry out a pointless task is to demean that person.[55]

Shore makes the same point in observing that "auditing processes are having a corrosive effect on people's sense of professionalism and autonomy." Moreover, "dealing with the new performance measures has itself become a 'performance' in both the theatrical as well as sociological sense" ("AC," pp. 292, 290). NPM thus cultivates cynicism and hypocrisy among its victims because "managing appearances will be a fruitful strategy if it is only appearances that get measured," as Parker and Jary conclude ("MU," p. 330).[56] As well as these two responses, the other alternatives are increasing self-exploitation, inner immigration, and—yes—dissidence. Once again there is a worrying similarity between management under state Communism and under NPM. Because both discourses leave no place for legitimate criticism, the response to what many of those affected see as bullshit are mixtures of cynicism, hypocrisy, self-exploitation, inner immigration, and dissidence.

55. Philip Tagg, "Conscious Objections to Audit," Feb. 2002, www.tagg.org/rants/auditit is/auditit is.html

56. See also Wendy Espeland and Michael Sauder, "Rankings and Reactivity: How Public Measures Re-create Social Worlds," *American Journal of Sociology* 113 (July 2007): 1–40.

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The Economic Reduction and Semantic Perversion of Education

The fundamental gulf between the professional, substantial view of quality and its formalistic perversion in management discourse can be traced back to the economic reduction of education in NPM discourse. This makes the economic aspect of education into its essence—blotting out all essential aspects—and the supreme policy goal at the new UK government.[57] This semantic perversion is evident in various aspects of the NPM discourse.

In contrast with the normal economy, in the education economy it is not possible to identify buyers' preferences so that educational products can be designed to meet them and against which their quality can be measured (the same applies to the efficiency of the production process). It is not at all clear what the product is or ought to be in the education process. And as there is no product in the economic sense, there are no criteria by which to measure quality. This gap in the education discourse of NPM is filled by defining the product of education as qualification—expressed in terms of ECTS points and their accumulation into diplomas. The quality of the education is then defined as the quantitative efficiency with which these qualifications are produced.

This economic reduction of education is remarkable because education does not by any stretch of the imagination resemble the purchase of a product to satisfy a specific need. Participating in education is an ongoing, reciprocal, and hierarchical process, in which student and teacher are both actively involved and in which the teacher represents professional authority. The fact that education costs money—and so in this respect resembles the purchase of products such as Coca-Cola and cornflakes—does not mean that education is an economic transaction between a buyer and seller, as the economic view of education claims. That is why this view of education is fundamentally wrong and why it has so many perverse consequences. Because this view represents education as a free and equal exchange between equally positioned buyers and sellers, the hierarchical relationship between teachers and those being taught disappears, and this suggests that the purchasers of education have a right to get what they have paid for. To make matters worse, because the customer is always right in the market, students in the education market are also always right.[58] NPM educational terms such as *new learning* and *learning to learn* fit seamlessly

57. See Collini, "Browne's Gamble."

58. See Neil Curtis, "'Customer' Isn't Always Right: Market Model Could Lead to Disaster," *Times Higher Education Supplement*, 4 Mar. 2010, bit.ly/rJWsn1

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with this image of a horizontal education by presenting teachers as co-learners in what is called a community of learners.

On closer consideration, the economic education discourse seems to have produced a new dual identity for faculty. The faculty are transformed into both producers of a consumer good that is called education and sellers of the same (see "PP," pp. 373, 369). This dual entrepreneurial identity implies that the entire responsibility for both producing and selling education is laid upon the faculty. At the same time the management is shielded from all risky activities in the outside world; its sole and exclusive responsibility is control over the faculty. Should anything go wrong in the outside world—for instance, that the education consumers fail to turn up in sufficient numbers, or they do not behave as model consumers because they take longer to complete their studies than the official time allowed—then the faculty are always responsible and can be judged for it. Just as under state Communism, in practice the managers under NPM are almost always right. This is possible because NPM managers are operating in semiprivatized institutions and therefore in the grey zone between public and private law.[59] Their responsibility to higher, supervising organs is similar to the responsibility of the members of the politbureau to the General Assembly of the Communist Party.

The discursive elimination of the hierarchical relationship from the education process combined with guaranteed success for the education consumer explain much of the receptiveness of many students to the economic view of education. After all, being subjected to a hierarchy and exposed to the risk of failure is an unpleasant experience for many, especially for the weaker students.

In the economic view students do not pay to be taught a discipline by professionals who have proven expertise and subject knowledge based on professional criteria. Instead, students pay for the end product of education: a degree or other qualification, the investment of which will bring them profits on the labor market. Just like everything else in the economic universe, studying has been reduced to a simple exchange or quid pro quo. The fundamental idea that a degree traditionally has cultural value only because and as long as it represents a specific level of knowledge and skills according to professional criteria is completely obscured in the economic view. The same goes for the fact that the economic value of a degree is based on its cultural value. In this sense the economic value of a degree has always depended on its cultural value, and the economic value is parasit-

59. The practical implications of this legal grey zone are best exemplified by the almost extralegal position of privatized military contractors like Blackwater in Iraq.

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izing the cultural value. What is basically now happening in neoliberal, economic education practice is a paradoxical attempt to uncouple the economic and cultural values of the degree (and of education in general) and to retain the derivative economic value of education without leaving its cultural basis intact. The economic view of education, in other words, turns out to be a complete parasite on the professional view of education and is undermining and eroding it.[60] The production and selling of diplomas by educational institutions under NPM conditions bears, on closer consideration, a worrying similarity to banks writing out uncovered checks (or at least checks not covered by sufficient funds) or selling and reselling unsecured mortgages. Here we encounter the typical neoliberal trade of derivatives—this time in the educational domain. The ECTS point produced under NPM conditions is therefore facing a similar problem as the euro since the Greek debt crisis: Relatively Bad Value for Money and thus the opposite of what it claims to be. Remarkably, like the euro problem, the ECTS problem has remained well hidden because states like Canada in the meantime have started worrying how to catch up with the ECTS system and the Bologna Process.[61]

This parasitic character of the economic view of education, including the constant destruction of the cultural basis of economic values, makes ongoing structural problems in the education sector predictable for the future. This problem can be seen already in the phenomenon of grade inflation, which happens as soon as educational qualifications are no longer covered by their professional value. The economic reduction and simultaneous destruction of education, which began in the 1980s, therefore has resulted in a trend toward transforming universities into diploma mills, digital and nondigital.[62]

The economic reductionism that is inherent to NPM appears on closer inspection to be destructive of cultural values outside the economic domain, just as was the case with the state Communist experiment in economic reductionism in the twentieth century. The present economic crisis,

60. This parasitic relationship is also exemplified by degree mills and in the take-over of formerly reputed colleges by new for-profit educational corporations in the US. See Donoghue, *The Last Professors*, pp. 111–38.

61. See Canadian Association of Universities and Colleges, *The Bologna Process and Implications for Canada's Universities* (Ottawa, 2009), www.aucc.ca/_pdf/english/publications/bologna_report_e.pdf, and Amy Scott Metcalfe, "Revisiting Academic Capitalism in Canada: No Longer the Exception," *Journal of Higher Education* 81 (July 2010): 489–514.

62. See Allen Ezell and John Bear, *Degree Mills: The Billion-Dollar Industry That Has Sold over a Million Fake Diplomas* (New York, 2005), and Noble, *Digital Diploma Mills.*

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in which private banks shout the loudest for state support, has with some justification been compared with the fall of Communism around 1990.[63]

Be that as it may, the continuing hegemony of the economic view of education will in time bring a predictable end to education itself, at least to any activity known under that concept. Education is only still effective despite the economic view and solely thanks to the persistence of professional educational practices within schools and universities.

On closer consideration the economic reduction of education by NPM not only explains why faculty have been robbed of their professional autonomy; it also explains the other structural phenomenon in higher education since the introduction of NPM: the transformation of students into customers with explicit consumer rights. The rise of consumerism as the dominant ideology in higher education and the rise of the managers' power are two sides of the NPM coin.

Support for NPM in higher education is based on an unholy alliance between the neoliberal political class and the NPM managers on one side and aligned faculty and students on the other. The latter are being strongly encouraged to adopt the definition of themselves as consumers and are being asked to control the quality of their education through constant evaluations. By all appearances a not insignificant share of the students are susceptible to this consumer ideology and its associated short-term benefits. It is not entirely accidental that the grade inflation that is evidently disadvantageous to consumers in the long term is a well-kept secret in the NPM discourse and is not a popular research subject in educational science.[64] Other crucial issues that could undermine the consumerist view of education are likewise under studied. I am referring to the fact that the scores for student satisfaction with their education show no statistical significance in relation to the effectiveness of that education and that there is a negative correlation between relatively strict assessment and students' enthusiasm to enroll for those subjects. The exodus from the exact sciences in the Netherlands, despite all the policy campaigns to encourage students to choose science, is a sign of the writing on the wall.[65] The question why

63. See John Gray, "A Shattering Moment in America's Fall from Power," *The Observer,* 28 Sept. 2008, p. 31.

64. See Valen E. Johnson, *Grade Inflation: A Crisis in College Education* (New York, 2003).

65.

1. Differences in grading practices between instructors cause biases in student evaluations of teaching; 2. Student evaluations of teaching are not reliable indicators of teaching effectiveness and account for only a small proportion of the variance in student learning from student to student and course to course; 3. High grade distributions cannot be associated with higher levels of student achievement; 4. Differences in grading practices have a substantial

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become a scientist if you can become his boss? appears to have some explanatory relevance.

Drawing conclusions about the quality of education from student satisfaction surveys may seem an obvious thing to do in the economic NPM cosmos, but in the empirical world of statistics no adequate support for it has been found. Once again we are dealing with a presupposition of NPM for which, on closer inspection, there is not a shred of evidence.

The Bullshit Nature of NPM Discourse

Bringing all the arguments together, one is forced to conclude that the NPM discourse is Orwellian in nature because it redefines concepts such as quality, accountability, transparency, and professionalism and perverts them into their opposites. It is no wonder then that this discourse and the practices associated with it are fundamentally undermining the ancient profession of teaching.

How this was possible is an interesting question. The hegemony of "qualispeak" and the relative weakness of protest can firstly be explained by its prima facie fit with traditional academic values. "Who can legitimately stand opposed to 'transparency', or 'quality' or 'accountability'?" as Shore asks ("AC," p. 291). Remarkably most professors, especially in the humanities, seem stuck in individualistic ideologies that suggest a direct meritocratic connection between quality and individual success in academia.[66]

A second explanatory factor is the fact that NPM discourse has simply avoided engaging in debate with the discourse of academic shared governance. As a typical form of neoliberal governance, NPM has silently been imposed by eliminating shared governance practices and by introducing entrepreneurial forms of subjectivation—for both faculty and students.[67]

A third explanatory factor is the fact that criticism of and opposition against NPM are systematically and forcefully discouraged. Therefore the occasional discursive resistance by faculty against NPM managerialism makes use of the weapons of the weak, weapons that typically are hardly

impact on student enrolments, and cause fewer students to enrol in those fields that grade more stringently.

Johnson also writes, "the use of student evaluations of teaching for administrative purposes and as measures of overall teaching effectiveness has been an unqualified failure" (ibid., pp. 237, 151).

66. See Donoghue, *The Last Professors,* pp. 63–64.

67. See Liesner, "Governmentality, European Politics, and the Neoliberal Reconstruction of German Universities," *Policy Futures in Education* 5, no. 4 (2007): 449–59, and "AC," pp. 283–84.

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visible.[68] And when students in Germany, Austria, and Spain took their protests against the Bologna reforms to the streets in autumn 2009 backed by dissident faculty they were appeased in the end by concessions without substance.[69] The most recent protests in November 2010 in the model country of the Bologna Process, the UK, against a 40 percent budget cut in higher education and a probable 300 percent rise of tuition fees will probably also produce no change in NPM policies.

A fourth explanatory factor is that the NPM package comes with clear material and symbolic rewards for cooperation. As Shore observes: "Some academics clearly benefit from the new regimes of audit as they disrupt old hierarchies and provide new avenues for rapid promotion" ("AC," p. 291). As managerial jobs are usually better paid than academic ones they also represent an attractive career change for some, especially because "academics of all ranks, along with artists, are uniquely willing to tolerate exploitation in the workplace" since they "are inclined by training to sacrifice earnings for the opportunity to exercise their craft."[70]

Ultimately, the explanation has to be sought in Michel Foucault's insight that language not only bears meaning but also wages war.[71]

To supplement this explanation of the success of NPM discourse, Frankfurt's conceptual analysis of the notion of bullshit can add to our understanding of how universities have been taken over by a management tier that has deprofessionalized the faculty while producing its own official bullshit about education and research. I am referring here to three types of statements that play a key role in NPM discourse: (1) statements that identify the quality of education with quantitative educational output ("qualispeak"); (2) statements that identify the academic worth of research with economic market value ("valorizationspeak"); and (3) statements that identify the underfunded public universities (of the US, the Netherlands, Germany, or France) with top private universities of the US ("topspeak" or "excellencespeak").[72]

The best way to define bullshit, according to Frankfurt, is in relation to

68. See Gina Anderson, "Mapping Academic Resistance in the Managerial University," *Organization* 15, no. 2 (2008): 251–79, and Gill, "Breaking the Silence."

69. See Lorenz, "Riddles of Neoliberal University-Reform: The Student Protests of 2009 as Bologna's 'Stress Test,'" in *Wahrheit oder Gewinn? Über die Ökonomisierung von Universität und Wissenschaft*, ed. Christian Krijnen, Lorenz and Joachim Umlauf (Würzburg, 2011), pp. 53–67.

70. Donoghue, *The Last Professors*, p. 64.

71. See Michel Foucault, *Power/Knowledge*: *Selected Interviews and Other Writings 1972–1977*, trans. John Mepham et al., ed. Colin Gordon (London, 1980).

72. This comparison is bullshit because the top private universities in the US, such as Harvard University, have vast assets at their disposal—up to 37 billion dollars before the financial crisis—and in contrast to the public universities have a very selective admission policy. For the German case, see Münch, *Akademischer Kapitalismus*, pp. 275–328.

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the related notions of lying (and bluffing). Unlike lying, bullshit does not refer to the truth as such. Bullshit is neither based on a belief that what is being claimed is true nor, as in a lie, that it is untrue: "It is just this lack of connection to a concern with truth—this indifference to how things really are—that I regard as of the essence of 'bullshit.'"[73]

This specific characteristic of bullshit can explain why many faculty members seem so remarkably helpless when up against the NPM bullshit of management. Those who sell NPM bullshit neither observe the rules of science nor break them; the NPM bullshitter is simply playing a completely different game from that played by the faculty. This is a game that neoliberal policy has superimposed over scholarship in the universities in the form of a management tier—with substantial help from within the university walls, of course.

Let me quote Frankfurt on this again:

> Someone who lies and someone who tells the truth are playing on opposite sides, so to speak, in the same game. Each responds to the facts as he understands them, although the response of the one is guided by the authority of the truth, while the response of the other defies that authority and refuses to meet its demands. The bullshitter ignores these demands altogether. He does not reject the authority of the truth, as the liar does, and oppose himself to it. He pays no attention to it at all. By virtue of this, bullshit is a greater enemy of the truth than lies are.[74]

The bullshitter, in sum, is only interested in effects and does not necessarily believe in what he states himself. UK's proponents of transforming UK's universities into free educational markets, functioning on the basis of the consumer preferences of eighteen-year-olds, for example, don't believe that their market recipes will work because they are exempting economically important studies like medicine, science, and technology from consumer preferences, as Stefan Collini recently has shown.[75] They're only proposing the free market model because it will save the UK government substantial money by drying out all "uneconomic" disciplines.

Historically, the superimposition of management over scholarship is exemplified in the parasitic reversal of the relationship between business schools and universities, as Rakesh Khurana recently argued:

73. Frankfurt, *On Bullshit*, pp. 33–34.

74. Ibid., pp. 60–61.

75. See Collini, "Browne's Gamble," p. 25. Melanie Newman writes, "funds will be directed to courses that support economic priorities and science, technology, engineering and mathematics subjects, while cash will be withdrawn from courses that 'fail to meet high standards of quality or outcome,' the framework says" in *Times Higher Education Supplement,* 3 Nov. 2009, bit.ly/s72qrl

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> Today, just over 125 years after the invention of the university-based business school, the relationship between the university and the business school has largely been reversed. Having undertaken, in a previous incarnation, to confer on management the academic charisma it sought in order to become respectable, the thoroughly rationalized, bureaucratized, disenchanted (in the Weberian sense) university of today, as some have said, looks to management for guidance on how to be respected. . . . In the course of this history, the logic of professionalism that underlay the university-based business school in its formative phase was replaced first by a managerial logic that emphasized professional knowledge rather than professional ideals, and ultimately by a market logic that, taken to its conclusion, subverts the logic of professionalism altogether.[76]

Where the logics of professionalism and of management clash, as is the case with professional and economic views on education, the outcome has been determined by the political power of neoliberalism and its use of the microphysics of NPM managerialism. In hindsight, twentieth-century history thus shows that business schools have functioned as the Trojan horses of academic capitalism within the walls of the university, another mind-boggling fact illustrating the Orwellian characteristics of NPM history.

The introduction and continuation of output-based education funding represents nothing less than the continuation of neoliberal NPM hegemony—the economic crisis notwithstanding. The faculty who as administrators accept output-based funding are accepting ipso facto the subordination of the professionals under NPM management—whether this is their intention or not. The point was made earlier that NPM hegemony has been largely kept out of sight because many managers are recruited from academic circles, and many academics are fulfilling management roles. That is why it is essential to draw a distinction between individuals and roles; it is not unusual for people to fulfil dual roles and have dual identities. Consequently, the discursive war between manager and professional can also play out in individuals.

In addition to the political and semantic hegemony enjoyed by the NPM discourse and the relative invisibility of the battlefield, careerism, opportunism, not wanting to know, and the erosion of public debate in the universities should also be mentioned as explanatory factors. Under NPM management, most university newspapers, to give one example, have been changed into business publications, and directors of communication have been appointed in order to control information.

76. Khurana, *From Higher Aims to Hired Hands*, pp. 6–7.

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All things considered, we should expect that as long as organizations continue to be controlled in accordance with the discourse of NPM, management will continue to produce NPM bullshit, and professionals will continue to react with cynicism, hypocrisy, and dissidence, as was the case under state Communism. This means, ironically enough, that state Communism as a bureaucratic and economic nightmare still has a historical lesson to teach us, long after the political dream of state Communism has evaporated: to see through the neoliberal NPM dream as representing the privatized versions of economic and bureaucratic totalitarianism.[77]

77. Given the political "polyvalence" of Fordism and Taylorism, from which many core NPM ideas derive, maybe this lesson should not come as a surprise. See Daniel A. Wren and Arthur G. Bedeian, "The Taylorization of Lenin: Rhetoric or Reality?" *International Journal of Social Economics* 31, no. 3 (2004): 287–99.

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