

LIFE IN THE HIGHER SAUSAGE FACTORY

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Guest Lecture to the Teacher Education Research Group

22nd March 2012

5.00pm

The Cass School of Education and Communities

Room 2.02

University of East London

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The university has rotted itself from the inside: the “human capital” of staff, teachers, and students would now no more defend it than they would defend a city of the dead ... University life finally *appears* as just what it has always been: a machine for producing compliant producers and consumers (Research & Destroy, *On the Terminus of Student Life*, p.8 – original emphasis).

British universities have become spineless lackeys of central government, lickspittles at the trough of subsidy. They plead they are a “golden investment” in the nation’s future, yet they cry “higher purpose” when this claim is challenged. Those who went to university, including captains of industry, go along with this confidence trick to justify the advantage they gained from the experience, and hope their children can benefit too (Simon Jenkins, ‘These academic lickspittles need the guts to break free’, *The Guardian*, 16th March 2012).

The university is in crisis. It is up to us to decide its future (The Really Open University, *Three Reforms for a Different Future*, 2010, p.14).

Preface

This paper was presented to the Teacher Education Research Group in the Cass School of Education and Communities at the University of East London (UEL) on 22nd March 2012. I would like to thank Gerry Czerniawski for inviting me to speak at UEL. A second draft of the paper was produced on 3rd April: a few references were added, a couple of points were refined and some typographical and grammatical errors were dealt with. This was circulated to a only very small number of friends. This third draft is for general public consumption. Once again, I have made a few expressions more reader-friendly and erased some typographical errors – but I have not made any substantial changes or additions from the draft of 3rd April. The fragmentary Part 4 remains in its original state – even though I regard it as the most important section. The ideas expounded there begin to flesh out some ideas on the social relations of production in contemporary higher education. When

time, opportunity and the logic of the development of my ideas are in alignment I will return to these issues.

Since the 3rd April draft, I have explored Colin Crouch's excellent book on *The Strange Non-Death of Neoliberalism* (2011). Crouch argues that neoliberalism has not 'died', post-Lehman, as a set of organising principles for running national economies and societies. Nor has it been thoroughly discredited or discarded amongst international capitalist elites. Instead, it has been rehabilitated amongst ruling classes as the old capital-friendly hook on which to hang economic and social policies. However, a reading of Crouch's book suggests to me more than ever that 'neoliberalism' as an organising and explanatory concept is well past its prime. It tends to obscure key dynamics of labour and capital in contemporary society – at least so in the educational field of enquiry (and maybe beyond). Again, this is a topic I will return to when it is appropriate.

Glenn Rikowski, London, 27th August 2012

Prologue

The university in contemporary society is in crisis. Indeed, it appears to suffer from multiple maladies, and here in England the *Times Higher Education* and daily newspapers have charted the hydra-like forms of these ailments in micro-detail. Rising tuition fees and associated student debt (generating resistance and protest), burgeoning graduate unemployment (sometimes tempered with internships and unpaid work experience), the attack on staff pensions, the withdrawal of funding for arts and humanities HE courses, increased marketisation and commodification – are just a few of the symptoms of crisis apparent in relation to higher education (HE) in England. The very aims and purposes of HE have come under greater scrutiny and debate, with Stefan Collini's (2012) *What Are Universities For?* becoming one of the bestselling education books in recent years. Thomas Docherty (2011), pre-empting Collini, attempted to provide such aims and purposes for contemporary academic life and the university by crafting some foundational principles for governing the university of the future. Faulkner (2011) pursued the question of what a 'university education' is for, which is different from the question of what universities are for *in toto*.

There is a *double* crisis, it seems. Not only is HE in a crisis situation but ditto capital and capitalism. Following the post-9/15 demise of Lehman Brothers, and the onset of the banking crisis and deep recession, capitalism was also viewed as being in a critical state, or at least requiring 'moral' support. Thus, even some pro-capitalist journalists were querying the future of capitalism in the days just

before and after the Lehman crash. Anatole Kaletsky of *The Times*, a few days before the Lehman debacle, in panic mode, asked:

Whatever happened to the triumph of global capitalism? ... But just as the triumph appeared to near complete the innermost sanctum of the global capitalist system suddenly collapsed. The nationalisation last weekend of Fannie Mae and Freddie Mac, the two largest financial institutions the world has ever known, signalled the complete failure of the biggest, most dynamic, most innovative and competitive markets that have existed in the history of capitalism – the Wall Street stockmarket and the market for US bonds ... An historic turning point has been reached: the West is ditching its faith in free markets and private enterprise (2008).

Even some on the Left appeared to be echoing Kaletsky's analysis, with Eric Hobsbawm (2009) arguing that 'socialism is dead' but that the game was also up for capitalism. The prospects and outlook for capitalism seemed so dire that, ten days after Lehman, the *Daily Mail* wheeled out Richard Branson (2008) to write a two page article *In Defence of Capitalism*. A few weeks later, *Harper's Magazine* ran a high-powered forum debate (*Harper's Magazine*, 2008, pp.35-36) featuring Joseph Stiglitz, Elizabeth Warren and others on 'How to Save Capitalism'. More recently, in January-February 2012, the *Financial Times* ran a series of articles on 'Capitalism in Crisis', though by then, the frenetic, sensationalist, doom-laden and paranoid modes of writing as witnessed immediately after the Lehman fold-up were less in evidence (e.g. Kay, 2012; Plender, 2012, and Rogoff, 2012).

However, as capitalism failed to implode as these paranoid and unrealistic analyses surmised (its further life bolstered by unprecedented bank and business bailouts, money printing and fiscal stimulus by the major Western capitalist powers), pro-capitalist representatives attempted to provide it with some moral purpose amidst all the banker-bashing and references to greedy capitalists. A couple of months after Lehman, Samuel Brittan and Edward Hadas (2008) debated where capitalism was 'morally bankrupt'. As Rifkind (2011) noted, capitalism survived but there was a strong urge to regulate and control it and, above all attempt to *justify* its continued existence. This was all the more so as the financial crisis morphed into recession, sovereign debt crisis, a Eurozone crisis and austerity economics and politics – with the working class footing a big share of a bill for a shindig they were excluded from. The persistence of a 'bonus culture' in the major banks (some of which has been part or wholly nationalised) and burgeoning CEO pay in many major corporations exacerbated the need for restatements regarding the wonders of capitalism.

In the UK, David Cameron's 'Big Society' idea attempted to paper over some of the cracks (and public services cuts). Labour Party leader Ed Miliband's 'Good Society' notion gave the impression that

capitalism could be controlled and tamed for the wellbeing of the majority. Even Rifkind (2011) saw through these feeble responses to capitalist failure and the associated austerity measures peddled by all major parties:

The fact that neither Mr Cameron nor Mr Miliband have hit upon a solution to curbing capitalism however, should not blind us to how remarkable it is that both are trying. Younger readers may be unaware, but, but this sort of thing used to be controversial. No, really. You try going back 30 years and telling Margaret Thatcher that capitalism ought to be nicer. You'd have got handbagged. Ronald Reagan would have given you his disappointed look. Like his confused look, but sadder. This was crank stuff, they both would have thought. The unserious views of deeply unserious people.

Whilst questioning the extent to which both Cameron and Miliband are serious in relation to wanting to 'curb capitalism' – especially as both squabble over who is really the 'party for business' – there is no doubt that both yearn for some moral underpinnings and positive community engagement with British capitalism. Miliband, in particular, has some influential forces battling for his ideas on capitalism. Will Hutton, writing in *The Observer* (2011), argued for a 'Good Capitalism', especially as 'Britain is in the gravest economic position in modern times', and he set out a programme for attaining this goal. Only a few days ago Hutton (2012) was at it again: this time speaking up for 'new models of capitalism', which must include drastic changes in the ownership of capital; i.e. more diverse and longer term ownership being the magic potion. Others, such as El-Erian (2008), a Goldman Sachs business book of the year award winner, looked to save the global economy with some 'new thinking'. Even some in the Tory party, such as Jesse Norman (2011) divined a need for a cleansed capitalism and the end of 'Crony Capitalism' allied to a reform of markets. Meanwhile, following Lehman, the ideas of John Maynard Keynes were dusted down for saving capitalism from itself and 'good old Keynes is back in fashion' (Sander, 2009, p.1).

According to Sander, perspectives making a distinction between 'good; and 'bad' capitalism, with the latter apparently resulting from 'greed, mismanagement and deregulation', or taking the view that capitalism can be reformed into socialism, rest upon a common error:

They both critique capitalism, to various degrees, but their critique is a positive one. They share and propagate the belief that capitalism can be improved upon. That makes them the most crucial defenders of capitalism today (Ibid.).

Of course, resistance to austerity-driven economic and social policies has accompanied the urge to save the system at all costs. Mass protests and strikes in Greece and elsewhere, students protests (against rising fees and other HE costs) riots of the poor

and disadvantaged and the world-wide Occupy Movement have given a greater urgency to the manipulations and machinations involved in attributing a moral core to capitalism.

Hence, there appears to be a 'dual crisis': of higher education on the one hand, and of capitalism on the other, and, it could be argued, these two crises are related: that cuts and downsizing in HE flow from the sovereign debt crisis. This is not how the situation is viewed in this paper. It will be argued that the HE as a *public service* is in a far more critical condition than capital. Indeed, the current crisis of higher education appears to be facilitating the *capitalisation* process: it provides opportunities for the business takeover of higher education and the expansion of private HE provision. Capital's insertion into HE seems to be intensifying.

The educational and wider Left (and not so Left) have responded to the crisis in higher education in a variety of ways. Simon Jenkins (2012, opening quotation above) favours ripping off the lid on tuition fees and supports a fully privatised HE system. Research & Destroy (2010, opening quotation above) believe the HE system in the capitalist system to be beyond hope, and not worth saving: it is a thoroughly *capitalist* HE system. Much more common is the notion that HE should be defended as a *public service*: the future university should be a *public university* (e.g. Holmwood, 2011; Scherrer, 2012; Campaign for a Public University, und.). Finally, there are a growing number of ideas and strategies from the Left on how to transform, transcend and to go beyond mainstream and conventional forms of HE – some of which will be explored later (e.g. the Student as Producer).

The problem with some of these responses to the crisis of higher education is that they are unclear regarding what it is a crisis *of*: there is uncertainty concerning the nature of the current crisis (or crises) of HE. Focusing on higher education in England, this paper explores this issue. Given the time (i.e. lack of) at my disposal, the form of the paper will be epigrammatic and aphoristic, especially given the ground covered and the number of issues raised. The following Introduction outlines the paper's agenda.

Introduction

This paper is divided into four Parts. Part 1, *Higher Education and Crisis* explores briefly the nature of crisis in general, and then the ideas of 'capitalism in crisis' and 'neoliberalism in crisis'. It ends with a brief exploration of neoliberalism in higher education.

Part 2, *Marketisation, Commodification and Capitalisation*, drawing on the ideas of Karl Marx, begins to pinpoint more precisely what 'crisis', in relation to higher education, means. It clarifies what is at

stake for the future of the HE system in England (although parts of the analysis can be applied to other countries).

Part 3, *Social Relations of Production*, building on Part 2, focuses on the nature of the social relations of production in higher education today. This is the core of the paper. It indicates key features of the life-world of higher education in contemporary England whilst hailing trends making for certain dystopian futures for HE.

The final part of the paper examines modes of student being in HE today (and in projected futures). These modes of being are premised upon changes (or otherwise) in the social relations of production in HE and associated developments (e.g. marketisation, capitalisation, and commodification). These student modes of being also have consequences for university academics, the personal relations within academic production and the social relations of production – within capital, against capital and beyond capital.

PART 1: HIGHER EDUCATION AND CRISIS

Crisis

Both during the Great Credit Crash of 2008 – and now also in the wake of the so-called 'Arab Spring' that began in early 2011 – media coverage has been awash with references to crisis. To confirm this, simply open up a newspaper or turn on the television; without doubt, you will be confronted by a seemingly endless parade of politicians and pundits invoking the idea. A crisis of confidence, a crisis of finance, a crisis of neo-liberalism, and a crisis of sovereign debt; a crisis of European integration, a crisis of global capitalism; even a crisis of the global left. The list goes on (Amin Samman, 2011, p.4).

The real crisis is the threat of slump which haunts the capitalist economy (Gamble & Walton, *Capitalism in Crisis*, 1976, p.2).

Or rather, expunging the reification, it haunts the human representatives of capital. Gamble and Walton note that:

Crisis is a complex phenomenon, and the term itself has many meanings. It was first used to denote the point in the progress of a disease at which an important development or change takes place which is decisive for recovery or death (1976, p.2).

The *Shorter Oxford English Dictionary* (SOED, 1988) also notes that 'crisis' denotes the 'turning-point of a disease ...' or more generally a 'Turning point in the progress of anything; also a state of affairs in which a decisive change for better or worse is imminent' (p.457). Thirty-three years on from his book with Paul Walton, Gamble (2009) expanded further on the meaning of 'crisis':

One of the oldest uses of the term is medical; the crisis is a moment of danger but also of opportunity, the point in the progress of a disease when a change takes place which is decisive for recovery or health. Here crisis is understood as a distinct moment in a process which has a much longer time frame. This process is the disease itself, and the crisis is the turning point in that disease, the moment when the body either starts to shake off the disease or succumbs to it ... [And] ... this notion of crisis as the turning point of resolution is also present in drama and music. Plays are often structured so that they build to a climax ... The conception of crisis in drama also suggests a very important feature of social and political crises which goes beyond the medical analogy. Crises are constructed by particular narratives and interpretations of events, which legitimate particular ways of resolving them. In this view an economic crisis is not just something that impinges on us with the force of a natural event. It is something we construct for ourselves. Another very important aspect of crisis is that it always involves an element of suspense. In a crisis people are waiting to see what will happen (2009, pp.38-39).

Gamble writes further on the nature of crisis (pp.40-43), leaving an impression that it is always partly a matter of interpretation. Thus, whether it was the Lehman bankruptcy or when the economic cycle in the current downturn reached its lowest point constitutes the current critical, turning-point is always open to interpretation, argues Gamble (2009, p.41). Choonara (2009) emphasises that the determination of the turning-point in any economic crisis demands that 'statistics, data and commentary by mainstream economists' should be perused in making the judgement (pp.88-89). The turning-point perspective on crisis is also shared by Panitch and Gindin (2010, p.5).

Following the empirical and interpretive perspectives of Choonara (2009) and Gamble (2009), Albo, Gindin and Panitch (2010) also note that 'The classical meaning of crisis is turning point' (p.9), but they also stress the need to ask whether the current crisis has 'actually marked a turning point in the balance of class power and organization of the state' (Ibid). This is a crucial question that can be addressed to the current capitalist crisis; but, it can also be framed in relation to developments in *higher education* in England just as pertinently. This point is to be forwarded.

Capitalism in Crisis

At the moment of crisis we stand in a glaciated landscape of frozen abstractions (Benjamin Noys, 2011a, p.45).

The task in this section is not to go into some lengthy analysis of crises in capitalism in general, nor to explore the *precise* cause(s) of the current crisis of capital, or when it sprang forth: was it 2007, 2008 or on the 15th September 2008 precisely (with the Lehman crash)? On this final option, for some economic commentators, the

15th of September 2008 marks a special event: the collapse of Lehman Brothers bank heralding the most serious crisis of capital since the 1930s. According to journalist Jonathan Freedland, Labour MP John Cruddas held that:

...that the economic calamity could not be more significant. He suggests that 15 September 2008 should be etched in the history books as the day the world changed. For that was the moment when Lehman Brothers declared itself insolvent. (Perhaps we should refer to it as 9/15) (in Freedland, 2009, p.2).

The whole financial system stood on the brink of the abyss following Lehman's collapse (which had been preceded by the 'Credit Crunch' of 2007-2008). However, it was held to be crucial by representatives of capital that the capitalist *system* must be saved, at all, and almost any, cost. Hence: bank bail-outs, nationalisation and part-nationalisation of banks, fiscal stimulus (especially in the USA), rounds of crisis meetings for heads of state, and rises in government debt, unemployment and business failures and depressed housing markets. Economic slump beckoned and drastic measures (and bank bailout nationalisation stuck in the throats of American and UK governments in particular), along with 'quantitative easing'; £200billion worth in the UK up to November 2010 (Islam, 2010, p33), and some more since, were designed to avert it, with some success. These momentous events led Gideon Rachman (2010) to argue in the *Financial Times* two years after Lehman that '9/15 changed more than 9/11'.

Despite all of this, Robinson (2012) has argued that the crisis did not lead to serious, widespread questioning of *capitalism itself*. In the US, she argues, 'big government' and bloated public services have taken the blame for many. In the UK, the Coalition government has been astute in fingering New Labour's apparent 'reckless' spending up to 2010 and welfare 'scroungers' as villains of the crisis (whilst also taking measured shots at the greedy bankers at opportune junctures). Thus, even when the Chancellor of the Exchequer, George Osborne, floats the idea of lowering the top rate of income tax, and the Coalition develops plans for part-privatising the police, privatising the Royal Mail and persisting with its business-oriented plans for the National Health Service – the Tory Party goes up three points in the latest ICM opinion poll (Wintour, 2012), even though 67% are against George Osborne's proposed income tax cut for the rich. As the Friends of the Classless Society (2011) put it:

Crises have always strengthened the position of capital vis-à-vis the proletariat. The falling demand for labor power undercuts the workers' bargaining power and austerity programs cut social spending precisely when it is needed most. In absence of a revolutionary perspective – which is currently not visible anywhere – the workers' interest is first and foremost to keep their jobs, and the interest of the unemployed is

to get one. ... [Yet] ... what we are currently experiencing across the world is the flaring up of new interlinked movements than can happily do without traditional political forms. If they realize the clout they could gain, much could be won. If, on the other hand, they stay at moral indictments of bankers and politicians, a historical opportunity will go to waste (p.6).

Nevertheless, there is a crisis of capitalism; indeed a signal failure of capitalism to provide stable growth, economic security and wellbeing for the vast majority of people in the world today. The work of Andrew Kliman explains why this is so.

The Great Recession

The rest of this section focuses on the work of Andrew Kliman (1999, 2003, 2009a and 2009b, 2011, and 2012), who provides the most prescient analysis from which to view the crisis of *higher education* in the UK. If Kliman's view on capitalist development since the Second World War is largely correct, and in my view it is, then the consequences for education in general and higher education in particular are momentous.

According to Kliman, if we want to grasp the nature and cause of the current Great Recession then starting out from some of the usual destinations proves less than satisfactory. In his new book, *The Failure of Capitalist Production*, Kliman argues (on the basis of a close and painstaking analysis and interpretation of U.S. official economic data) that theories of underconsumptionism, Robert Brenner's 'overproductionism' (see Kliman, 1999, pp.9-10, on this), financialization (the increased dominance of finance capital in economy and society) and neoliberalism all fail to provide satisfactory accounts of the Great Recession. Kliman's alternative is to begin from Karl Marx's law of the tendential fall in the rate of profit. Kliman (2003) notes that this law is:

... not a law of capitalism's collapse. Nor is it a theory of long-run stagnation, in which the system grids to a halt as the profit rate falls ever closer to zero over time. Marx explicitly denied these ideas, writing that when Adam Smith said that the profit rate tends to fall as more capital is accumulated, he was referring to a *permanent* effect – but he was wrong. "Permanent crises do not exist." Marx also argued that the tendency of the profit rate to fall is *constantly overcome* by way of crises (p.1).

Thus, capitalist crisis cannot be permanent as this would undercut the very notion of *crisis* itself: there would be no 'turning-point', no resolution. Rather, argues Kliman, economic crises function to counter the tendency of the rate of profit to fall.

It does not follow from this that capitalist economies face an 'indeterminate seesaw between the tendency of the rate of profit to fall, on the one hand, and countertendencies that raise it, on the

other' (Kliman, 2003, p.1): the 'opposites, tendency and countertendency, unite to produce economic crisis' (p.2). The destruction of capital resulting from these crises allows capital accumulation to proceed at a higher rate of profit, for:

Unless and until sufficient destruction of capital occurs ... there can be no new, sustainable boom. This is because the destruction of capital restores profitability; without enough destruction of it, profitability will remain low (Kliman, 2009a, p.1).

The destruction of capital resulting from the slump of the 1930s allied to the Second World War facilitated the Post-War Boom of 1945-1973 (Kliman, 2012, 2009a and 2009b). As Mattick (2011) noted:

The depression [of the 1930s] was a long one, and the level of physical and economic destruction of capital unusually high (especially during the war into which it opened). It is not surprising, therefore, that the revival led to a period of prosperity, lasting until the mid-1970s, that economists dubbed the Golden Age for its length and amplitude (pp.2-3).

However, since the 1970s, policymakers have shunned allowing crises to do their vital cleansing work for the health of the capitalist system as a whole. Fearing the massive disruption a regenerative level of capital destruction would cause, and the resistance and political backlash that might ensue, perhaps calling the whole capitalist system not just to account but into serious *question*, policymakers have ducked the hard choices. Instead, they have favoured inflation (at times, particularly from the mid-1970s to mid-1980s) and especially the huge expansion of credit and debt to avoid the *dénouement* (Kliman, 2009b). Thus:

Policymakers, unwilling to allow capital to be destroyed to a significant degree, have repeatedly chosen to "manage" the relative stagnation by encouraging excessive expansion of debt. This artificially boosts profitability and economic growth, but in an unsustainable manner, and it leads to repeated debt crises. The present crisis is the most serious and acute of these. Policymakers are responding to the crisis by once again papering over bad debts with more debt, this time to an unprecedented degree (2009b, p.1).

This just raises the stakes. Putting off the reckoning does not help, for 'the "long-run" rate of profit – the level toward which the rate of profit tends in the long-run, all else being equal – is *chronically* too low to permit a healthy rate of economic growth' (Kliman, 2009b, p.2 – original emphasis). The expansion of credit, argues Kliman, 'does not *negate* Marx's law of the tendential fall in the profit rate. It does not *negate* the resulting crisis. It merely *displaces* them' (Kliman, 2003a, p.2 – original emphases). Hence, in response to pumping up debt levels, profits rates do not always fall in the short run: instead we get 'debt crises and the fiscal crises of the state that have led to the smashing of the welfare state' (2003a, pp.2-3).

The economy never recovered from the slump of the 1970s as sufficient destruction of capital to restore profit rates was ruled out as an option by policymakers (Kliman, 2012):

[And] ... since so much less capital value was destroyed during the 1970s and early 1980s than was destroyed in the 1930s and early 1940s, the decline in the rate of profit was not reversed (Kliman, 2012, p.3).

The strategy of using debt and borrowing to camouflage and boost inadequate profit rates rests on the ability of nations states to borrow sufficient funds to do this (Kliman, 2008). Eventually, the bond markets and rating agencies will set a limit to such state-capitalist stratagems if debt repayment seems risky, or if working-classes are not sufficiently compliant as public services are cut or slashed, taxes raised and real wages fall to pay for the crisis. For Kliman (2012), capitalist states (individually and collectively), when faced with looking into the abyss of a mega-slump (as on 9/15), will do all that is possible to *save the capitalist economy and society* – even if this means that some sectors of capital disproportionately suffer, significant numbers of businesses go to the wall, further debt is piled up and widespread suffering is visited on the working class. The ‘organic’ way out of the crisis is eschewed:

In a sense, the organic way out of the crisis would be a gigantic destruction of capital: bloated financial values would have to be wiped out, banks left to fail; the market would purge itself through company bankruptcies; wage levels would fall even further. After that, the “old filthy business” (Marx) would start from scratch in a new cycle (Friends of the Classless Society, 2011, p.2).

Should governments continue down their current route – what some might describe as neoliberalism – then the prospects for *public* higher education systems seem to be bleak. Furthermore, policies of “co-payment” (where users of state services pay an increasing proportion of the costs of these services, hence rising HE tuition costs), cuts and privatisation, a declining ‘unit or resource’ (state funding per capita for students), and the concentration of state funds in ‘strategic’ subjects in higher education (e.g. the STEM subjects in the UK: science, technology, engineering and mathematics) – seem desperate but understandable strategies for major representatives of capital in the worlds of politics, business, finance, and media (and even for some Vice-Chancellors of UK universities).

For these same representatives of capital, the capitalist system seems relatively safe for now, as compared with September 2008 – January 2009. Even back in October 2008, an FT/Harris poll of Europeans found that:

The crisis was attributed largely to abuses of capitalism, however, rather than to the failure of the system itself (Atkins, 2008).

Bankers came in for particular opprobrium from the poll respondents. The Coalition government's targeting of New Labour (for being a spendthrift government), benefit scroungers and immigrant labour for the crisis and its aftermath (e.g. poor economic growth and unemployment) has been especially successful according to more recent opinion polls, thereby further lessening the likelihood that capitalism takes the rap. As Emmott (2009) argued:

Meanwhile, note, this is not – yet – a true “crisis of capitalism”. That would arise if confidence never seems likely to return, if unemployment has soared and if hope seems truly to have been destroyed. It cannot be ruled out. But let us, as the future US president [Obama] said in his book, have the audacity to hope that it won't happen, and the sense not to announce it until and unless it does.

By which time either Fascism or barbarism might be leading options for the powerful, the strong and the experts of post-Freudian manipulation for social domination.

However, some have concluded that as the termination of capitalism is not currently on the agenda, nevertheless, a particular strategy for running capitalism (both nationally and internationally) and a particular ideology supporting capital has (or will) become history: *neoliberalism*. This also has consequences for the higher education of the future.

Neoliberalism

Since the late 1990s activists have used the word 'neoliberalism' for global market-liberalism ('capitalism') and for free trade policies (Paul Treanor, 2005, p.1).

When people hear the word 'neoliberalism', they think of the protests at Seattle and Genoa, and the associated social movements. The underlying causes of these events are related to the historical expansion of liberalism (Paul Treanor, 2005, p.2).

For over 30 years, neoliberalism has been the dominant economic ideology. It has had effects far beyond the economy: for education, health services, welfare, foreign aid and in many other areas of contemporary capitalist life. On 15th September 2008 something appeared to change: Lehman Brothers filing for bankruptcy brought the world's financial system to the edge of collapse. Neoliberalism, as an economic ideology, and in terms of its practical application (deregulation of all forms of capital flows, giving priority to capital accumulation, each country trying to coax international capital into its orbit, etc.) came under intense criticism. The following section explores whether neoliberalism's time as dominant economic

ideology and policy-generator has passed. This section attempts to pin down the nature of neoliberalism.

Treanor (2005) argues that the State and the market are not necessarily separate entities, and that historical analysis shows how they have come together in the late 20th century to form the “market state”. David Harvey suggests something similar:

Neoliberalism is in the first instance a theory of political economic practices that proposes that human well-being can be advanced by liberating individual entrepreneurial freedoms and skills within a framework characterized by strong private property rights, free markets, and free trade. The role of the state is to create and preserve an institutional framework appropriate to such practices. The state has to guarantee, for example, the quality and integrity of money, It must also set up those military, defence, police, and legal structures and functions required to secure private property rights and to guarantee, by force if need be, the proper functioning of markets. Furthermore, if markets do not exist (in areas such as land, water, education, health care, social security, or environmental pollution) then they must be created, by state action if necessary. But beyond these tasks the state should not venture (Harvey, 2005, p.2).

However, drawing on the Open Marxist tradition, and the writings of people such as John Holloway and Werner Bonefeld, I would argue that the concept of “market state” is too restrictive (as it focuses only on the market level, and not the level of production, whereas both aspects should be incorporated within a concept that characterises the state in capitalist society), and it also fails to pinpoint the nature of the state in capitalist society. In contemporary capitalism, the state is a *form* of capital: it is not just integral to the functioning of capitalism within nation-states (which is the case); neither does it just tend to operate in the interests of the capitalist class, or for the interests of capital-in-general (which is mostly true).

The state is a *mode of existence* of capital, which can be most clearly observed in the phenomena of taxation, state revenue, and, most recently, sovereign debt; and can be known as the *state-form* of capital. The concept of state-capitalism partially, but not fully reflects this situation. These points cannot be elaborated on here – and demand a lengthy exposition in themselves.

History

Neoliberalism has a history. DeLong (1999) argues that neoliberalism was a consequence of the end of the post-war boom. Up until 1973, it seemed that the Keynesian policies of demand management had succeeded quite well. It appeared to ensure that there was largely full employment and no deep recessions. After the Second World War:

Social democratic or socialist governments would establish strong redistributive social insurance states to severely reduce the income and wealth inequalities that had been characteristic of Bismarckian Germany ... They would put into place the physical infrastructure to reduce infant mortality and disease that the aristocracies and bourgeoisies of northwest Europe had not thought profitable. They would spend money like water on education (DeLong, 1999, p.4).

But this set of circumstances came to an end by the mid-1970s with the termination of the Post-War Boom [1]. Stronger remedies were required for the economy; Keynesian demand management was no longer adequate, argues DeLong:

By the end of the 1970s, however, it was clear to all except blinkered ideologues that something had gone very wrong with social democracy at the periphery (1999, p.5).

The neoliberal age began formally in 1979 with the Thatcher-Reagan era. Neoliberalism as ideology and policy spread throughout the world. Its principles became (state) practice.

Neoliberalism is a set of economic principles that have become widespread during the last 25 years or so. Although the word is rarely used in the United States, you can clearly see the effects of neoliberalism here as the rich grow richer and the poor grow poorer (Martinez and Garcia, 1997, p.1).

So, what are these 'principles'? In order to answer this question it is necessary to go into the genesis of neoliberalism.

The Genesis of Neoliberalism

Michael Peters (1999, 2001) indicates the *intellectual* history of neoliberalism began with Friedrich von Hayek (1899-1992). However:

It was during the 1980s that Hayek's political and economic philosophy was used by Thatcher and Reagan to legitimate the neo-liberal attack on 'big government' and the bureaucratic welfare state with a policy mix based on 'free' trade and the establishment of the 'open' economy: economic liberalisation or rationalisation characterised by the abolition of subsidies and tariffs, floating the exchange rate, the freeing up of controls on foreign investment; the restructuring of the state sector, including corporatisation and privatization of state trading departments and other assets, 'downsizing', 'contracting out', the attack on unions and the abolition

of wage bargaining in favour of employment contracts; and, finally, the dismantling of the welfare state through commercialisation, 'contracting out', 'targeting' of services, and individual 'responsibilization' for health, welfare and education. On this view there is *nothing distinctive or special about education or health*; they are services and products like any other, to be traded in the marketplace (Peters, 1999, p.3 – my emphasis).

These policies became known as the Washington Consensus [2].

As Treanor (2005) notes, neoliberalism has a history as an *idea* that is based on Classical Liberalism, which has the following features (pp.4-5).

Classical Liberalism

- Society should be an outcome of social processes that are interactive and involve all: the *market* is a prime example. Liberals do not like interference with these social processes. Thus: the market distribution of wealth and opportunity is seen as inherently just.
- Liberals reject any plan, grand design or blueprint for society (religious, ethical, utopian). Society should not have goals: social processes (left to themselves) should determine the form of society.
- Liberalism is anti-utopian, so it is against centrally planned societies (e.g. the old Soviet Union and the Eastern Bloc).
- Liberalism is hostile to competing *non-liberal* systems: these are not just different but wrong (e.g. Islamic societies, 'communist' or 'socialist' states such as Cuba or North Korea).
- Yet Liberalism has assumed a form of non-liberal ideology: nationalism – society made up of 'nations' (formed on ethnic, with a common history and language).
- Liberals view liberalism as 'freedom': thus, it would seem that consent is not required for the imposition of a liberal society (e.g. Iraq, Afghanistan). Some liberals would argue that a war to impose liberalism was a 'just war'.
- Classical political liberals reject the notion of externally imposed moral values, whilst viewing liberty as a value.
- Liberals believe in *formal* equality, but inequality of talent.

In addition to classical liberalism, Treanor (2005, pp.5-7) outlines a variant labelled as Market Liberalism. This can be summarised in the following way.

Market Liberalism

Market liberals believe in "market freedoms" and the rule of "market forces":

A minimal liberal free market needs at least three parties, with two of them in competition – for instance, two competing sellers and one buyer. The resultant pressure on the two sellers to lower prices, is the simplest type of ‘market force’. Such a force comes into existence without any conscious action on the part of the three parties. In modern markets there are millions of parties, and complex market forces. Market-liberals value this characteristic of the market. Their belief in the moral necessity of market force in the economy, is probably the defining feature of market liberalism. The second is the belief in entrepreneurs themselves, as a good and necessary social group (Treanor, 2005, p.5).

Therefore:

- In market liberalism, the market is the **primary** social process
- Market liberals believe that economic transactions should take place in a framework that maximises the effect of each transaction on other transactions (i.e. the market signals, such as house sales)
- Liberals view the market as inherently good, and “often as semi-sacred”
- Liberals are hostile to economic self-sufficiency
- Market liberals are hostile to trade barriers (e.g. trade in educational services)
- Market liberals believe that crucial aspects of society should be ‘left to the market’ (e.g. distribution of income and wealth, school choice and school finance)
- All market liberals are hostile to interference and regulation of markets (e.g. by the state, religion or other institutions)
- The entrepreneur is “a person whose profession is to respond to market forces” (p.6). Without the entrepreneur, there is no free market: thus, “market liberals demand a privileged status for the entrepreneur” (p.7).

The final step in the genesis of neoliberalism as an intellectual process, *and* as an ideology is to set out the principles underpinning this concept.

Neoliberal Principles

Destroying the quality of public-sector education is necessary for the full marketization of education (William Tabb, 2001, p.6)

A general characteristic of neoliberalism is the *desire to intensify and expand the market, by increasing the number, frequency, repeatability, and formalisation of transactions*” (Treanor, 2005, p.7).

According to Treanor (2005, pp.7-10, with examples added by Rikowski), neoliberalism (‘neo’ = ‘new’) liberalism incorporates the following aspects:

- A new expansion of time and space of the market: 'the markets never sleep' (the 24-hour economy), and neoliberals find new areas of marketisation (e.g. education and health care).
- An emphasis on property (classical and market liberalism) is replaced by an emphasis on *contract*.
- Contract maximalisation (to try to ensure that that responsibilities are carried out through a legal process): e.g. privatisation of the British rail network led to 30,000 new contracts.
- The contract period is reduced (especially in the labour market, with more temporary, part-time, agency and other precarious forms of work flourishing), so the frequency of contract is increased.
- Market forces are intensified by intensifying assessment: e.g. employees are continually assessed.
- New transaction-intensive markets are created on the model of stock exchanges.
- New forms of auction are devised – a method of creating transaction-intensive markets.
- Artificial transactions are created, to increase the number and intensity of transactions (e.g. derivatives markets – trading options on shares, futures markets – all dependent on computer power, which increases).
- Automated trading
- Neoliberal societies become 'network' societies; not the 'open societies' of classical liberalism.
- With contract expansion, transaction costs play an increasing role in neoliberal economies (e.g. the 30,000 BR contracts had to be drafted by lawyers, and neoliberalism seeks to reduce these costs)
- Growth of the financial services sector (London is still the premier city for financial services).
- Speed of trading increased.
- 'Derivative' professions are created: e.g. with the psychological-test coach, lifestyle coaches and a plethora of psychology-related occupations, so the intensity of *assessment* has increased.
- Creation of sub-markets (e.g. within an enterprise – internal markets in health and education).
- Supplier maximalisation: increasing the range of enterprises that compete for each contract.

But:

Neoliberalism is not simply an economic structure, it is a *philosophy* (Treanor, 2005, p.10 – my emphasis).

Its *core doctrines* for Treanor are as follows:

- Competition: including between nations
- "Why are we here?" Humans exist for the market.

- Every human being is an entrepreneur: managing their own life; the primacy of individual responsibility.
- Employability: there is a moral duty to arrange our lives so that our ability to get a job is maximised.
- There must be nothing which is not an element in a market.

(A summary based on Treanor, 2005, pp.10-12).

On the other hand, if a shorthand version of the principles underlying neoliberalism is required, then turning to Pierre Bourdieu might help:

What is neoliberalism? A programme for destroying structures which may impede the pure logic of the market (Bourdieu, 1998, p.1).

For me, this characterisation of Bourdieu's is too minimalist; it focuses too much on markets and marketisation at the expense of production, accumulation and capitalist social relations of production. Thus: the basic principles at the heart of neoliberalism might be viewed as:

- Breaking down barriers to capitalist production and capital accumulation (including resistance to these processes).
- Development of the 'infrastructure' and elements of capitalist production (e.g. markets) and the protection of these (through force if necessary).
- State-sponsored (sometimes inter-state, as in times of crisis) facilitation of capital (in all its forms), capitalist production and capital accumulation.
- The establishment, intensification and development of capitalist social relations of production.
- Saviour of capitalism as a mode of production and social formation in times of crisis (sometimes at the expense of particular sectors of capital and/or particular businesses, and working class wellbeing).

However, it would be quite possible to focus on these social phenomena in explaining pertinent contemporary events without using the concept of *neoliberalism* at all.

Indeed, John Clarke (2007) has questioned the utility of the concept of neoliberalism: it appears to be used so widely and indiscriminately, argues Clarke, that it is difficult to think what neoliberalism *is not* (p.240). It has become a general, all-purpose 'boo' word for anti-capitalism and Left commentators and activists, it seems. It is losing any explanatory force it may once have had.

Finally, if a distinction is made between neoliberalism as national state policy and ideology and its international dimension is made, then Hill and Kumar (2009, pp.3-4 – with minor modifications)

provide a detailed *descriptive* account based on empirical generalisations. For national states, neoliberalism requires:

- Inflation controlled by interest rates, preferably by an independent central bank
- Budgets balanced and not used to influence demand – or at any rate not to stimulate it
- Private ownership of the means of production, distribution and exchange
- The provision of markets in goods and services – including private-sector involvement in welfare, social, educational and other ‘state’ services (such as air traffic control, prisons, policing, pensions, public building works financed by private capital, and railways)
- Within education the creation of “opportunity” to acquire the means of education (though not necessarily education itself) and additional cultural capital, through selection
- Relatively untrammelled selling and buying of labor power for a “flexible”, poorly regulated labor market, and deregulation of the labor market for labor flexibility (with consequences for education)
- The restructuring of the management of the welfare state on the basis of a corporate managerialist model imported from the world of business (as well as the needs of the economy dictating the principal aims of school education, and the world of business is also to supply a model of how it is to be provided and managed)
- Suppression of oppositional critical thought and much autonomous thought and education
- A regime of denigration and humbling of publicly provided services, and
- A regime of cuts in the Post-war welfare state, with the withdrawal of state subsidies and support, and low public expenditure.

Internationally, neoliberalism requires that:

- Barriers to international trade and capitalist enterprise be removed
- There will be a “level playing field” for companies of any nationality within all sectors of national economies, and
- Trade rules and regulations underpin “free” trade, with a system for penalizing “unfair” trade policies.

Hill and Kumar (2009, p.4) also indicate that powerful countries, corporations and bank try to bend, circumnavigate or avoid or evade these international requirements.

Neoliberalism Jokes:

Marxist: "The workers have nothing to sell but their labour power"

Neoliberal: "I offer courses on How to Sell Your Labour Power Like a Shark" (Treanor, 2005, p.13).

Marxist: "Workers of the world Unite! You have nothing to lose but your chains!"

Neoliberal: "I can sell you standard-sized chains at 10% lower price than Home Base" (Glenn Rikowski, March 2004).

But is neoliberalism, as ideology and policy-generator on the wane as a result of the current crisis? Has its apparent failure in light of the current Great Recession led to a fundamental rethink amongst world and national leaders in government, business and the media? The following section explores these questions.

Neoliberalism and Crisis

Some researchers, academic writers and journalists argued that neoliberalism's 'number was up', and critics such as Birch and Mykhnenko (2010) could bring together a volume on *The Rise and Fall of Neo-Liberalism: The Collapse of an Economic Order?* Their book raised questions about the enduring strength and relevance of neoliberalism for contemporary society. Fortunately, Birch and Mykhnenko left a question mark at the end of their book title: it is far from clear that there has been any 'fall' of neoliberalism.

Certainly, some on the Left indicated that neoliberalism was exhausted post-Lehman. For example, Sabado (2009) pointed towards the 'exhaustion of the neoliberal model of accumulation' which 'has been exploded by the US economy' (p.16). However, Kliman (2012) has shown – using US official data – that it was not the case that a distinctive "regime of accumulation" characterised as neoliberalism was adequate to and responsible for explaining an apparent recovery in the rate of profit during the neoliberal era (post-1979). Furthermore, argues Kliman, it is misleading to see in the Great Recession a 'crisis of neoliberalism' rather than a crisis of capitalism itself.

Others, however, seemed to want to focus on neoliberalism, rather than capitalism. Thus, Labour MP Tony Wright argued that 'the neoliberal ascendancy of the last 30 years has crashed to the ground' (2010). Wright called for a return to 'fundamentals' and 'big

ideas' to replace neoliberalism as the dominant economic and social reference point for policymakers, whilst retaining capitalism.

The failure to seriously curb bank bonuses has been the touchstone of this issue for some. Governments, banks, many mainstream economists, the media and business interests seemed all too keen for things to 'return to normal', back to pre-Lehman times.

However, some commentators did not think this possible. For example, Seumas Milne argued a few days after Lehman bust, that:

What is certain is that the dominance of the free-market model of capitalism, which has held sway across the world for more than two decades, is rapidly coming to an end. When its high priests in Washington are forced to carry out the largest nationalisations ever undertaken outside the communist world, while intervening on an unprecedented scale across markets that were supposed to be self-regulating in order to keep the system afloat, the neoliberal order is transparently falling apart (2008).

Michael Neary (in Glancey, 2010) argued something similar, saying that we had just witnessed: 'A decade in which neo-liberal economics and the business model for education and politics, as well as business itself, appeared to have triumphed. Yet, it's all over now. Finished'. William Bowles (2009) asserted that 'The brave new world of neoliberalism lies in ruins' (p.1).

Others saw things very differently; a post-Lehman world where neoliberalism bounced back, in some ways stronger than ever. Surveying the acts of the Coalition government in the UK, Stewart Hall (2011) noted that the 'coalition's neoliberal agenda is the most radical social revolution in decades'. Hall viewed the current crisis as rupture but not an ending of "the long march of the Neoliberal Revolution". He outlined a five-pronged neoliberal surge in the UK under the Coalition government. Monbiot (2012) indicated that UK plc was being rebuilt in the shadow of corporate interests. Furthermore, whilst Seamus Milne (2008) had announced that neoliberalism was 'coming to an end' in September 2008, by March 2011 he divined that 'Ministers seem determined to reinstate a neoliberal order that is beyond repair' (Milne, 2011). Then again, a year later, Milne (2012) argued that the Chancellor of the Exchequer, George Osborne, was taking Britain back to 1979: the year of the dawn of Thatcherism and the triumph of neoliberalism – though he does not mention 'neoliberalism' by name, preferring to call it the 'failed economic model'. But this is surely what he must mean in the face of perceived error.

Albo, Gindin and Panitch (2010) seemed disinclined to agree with Milne's initial perspective on the demise of neoliberalism, and outlined how neoliberals set out to defend their creed as soon as the shock of financial meltdown had subsided following the bailouts and fiscal stimuli enacted in the US and some European countries,

post-Lehman, and not only to repair but to advance neoliberalism (see pp.28-29). In my view, this perspective seems to make more sense: there is a determined effort amongst ruling classes and their ideological representatives not just to get back to 'business as usual', but in some cases (and certainly in the UK) to go even further with neoliberal policies. There is a desire to make the most of the crisis for neoliberal economics and politics.

However, the key point is what can be made of this for education in particular. Is education an exception in England? Has the Coalition government in England abandoned neoliberalism in education in general, and higher education in particular?

Neoliberalism, Education and Higher Education

According to William Tabb (2001) there are 'three main elements involved in the neoliberal model of education' (p.1):

- Making the provision of education more cost-efficient by commodifying the product
- Testing performance by standardising the experience in a way that allows for multiple-choice testing of results
- Focusing on marketable skills (GR: human capital)

Dave Hill (1999) indicated how New Labour's education policy for schools was significantly but not entirely (there were some neoconservative, social democratic and even a few socialist policies in the mix) *neoliberal* in nature. Alex Callinicos's now classic pamphlet *Universities in Neoliberal World* (2006) examined the impact of neoliberalism on HE in the Britain, though he did not have much to say about neoliberalism as such, focusing more on New Labour's commitment to developing a knowledge economy and the implication of this for HE. On neoliberalism specifically, Callinicos argued that:

Neoliberalism in higher education means that ... [the] ... logic of competition is internalised deep into how universities work. As we shall see, this serves to ensure that they teach growing numbers of students and perform increasingly vital research as cheaply as possible (2006, p.11).

However, in an American context, Craig Calhoun reminds us that this was going on in US universities well before the neoliberal era. It could also be argued that the processes that Callinicos refers to are more generally to do with processes of capitalist development, or *capitalisation*, as explored in Part 2 of this paper, rather than being a specifically neoliberal phenomenon.

Simon Jenkins writing in *The Guardian* (2011) shows how many university managements bought the neoliberal model of university development and snuggled up to some strange characters (e.g. the

LSE liaison with Gaddafi) to maximise their income. Interestingly, Jenkins' 'solution' to this is a hyper-neoliberal one: universities assuming financial autonomy with fees higher still and increased patronage from businesses! He repeated the same message in another article a year later (in the opening quotations, Jenkins, 2012).

However, it is Peter Wilby that who has indicated a disturbing legacy of neoliberalism for education. In the capital-friendly, de-regulated neoliberal world, all hopes of the UK establishing a 'knowledge economy' have been dashed, argues Wilby. Not only has formerly UK production gone to Eastern Europe, China, India and the Far East through neoliberal policies operating at national and international levels, but the design and 'knowledge work' is also going the same way. Drawing on the work of Phillip Brown and his colleagues (Hugh Lauder and David Ashton, 2011), it seems that knowledge workers in these countries have rapidly developing higher education systems *and* relatively low wages for 'knowledge workers', argues Wilby. Our government needs to rethink its education policy; for education will not generate jobs (via human capital development for a 'knowledge economy') as both New Labour and the other major political parties have been telling us.

Jim Wolfreys (2011), writing on behalf of the Education Activist Network, argues that the HE White Paper (BIS, 2011) constituted a 'neoliberal assault on higher education' (see Wolfreys, 2011, pp.24-29). Couldry (2011, pp.38-41) provides a compelling analysis of the Browne Review (Browne Lord, 2010) – precursor to the White Paper – in terms of its neoliberal pedigree. McGettigan (2011) provides some disturbing information regarding how private sector outfits are seeking to enter and takeover HE institutions in the current neoliberal climate.

What is clear, is that neoliberalism, far from being 'finished' or in terminal decline, is growing in strength under the current Coalition government. Furthermore, in terms of higher education policy in England, it has surged forward in opening up the sector to marketisation, commodification and capitalisation.

The next Part of the paper explores briefly these phenomena.

PART 2: MARKETISATION, COMMODIFICATION AND CAPITALISATION

This part of the paper examines briefly three interlinked social processes within the context of higher education in England: marketisation, commodification and capitalisation. The importance of analysing these phenomena is that it facilitates an understanding of what is going on HE in England (and elsewhere) today that dives deeper than either policy, historical, philosophical analyses or pure moral outrage and indignation ever could. It also allows us to go beyond merely jeering and booing at neoliberalism in policymaking in contemporary HE.

Marketisation in Higher Education

The truth is, of course, that universities are not businesses and they do not operate in a market (Stefan Collini, 2012, p.188).

For Marginson (1997), in his monumental work, *Markets in Education*, 'marketisation' is a 'synthesis of the trends to markets ('marketisation') in education' (pp.5-6 – original emphasis). It is a composite of the social and economic processes that make for the development, intensification and strength of markets in education and other areas of social life.

Marginson (1997) indicates that there are five characteristics necessary to the establishment of 'fully developed educational markets' (p.30):

1. Markets involve the production of *commodities* (which are bought and sold)
2. There is a defined *field* of production (e.g. schooling, training, or higher education)
3. There is a *monetary exchange* between producer and consumer of commodities, as they are bought and sold
4. There are relations of *competition* between producers
5. There are *market subjectivities* – the attitudes and behaviours appropriate to market production, consumption and exchange.

In terms of recent developments in the marketisation of higher education in England, i.e. the Browne Review (Lord Brown, 2010) and the White Paper on Higher Education (BIS, 2011), three elements shine through: the development of choice, competition and the money relation through the buying and selling of goods and services.

In terms of the first, choice of provision (courses, modules, departments and institutions) the White Paper (BIS, 2011) clearly seeks to develop this aspect: the title of the White Paper, with

'students at the centre' of HE leaves the matter in no doubt. An important aspect of this is giving students more information about institutions and courses in order to make better informed choices. Thus: from the Coalition government's perspective:

Better informed students will take their custom to the places offering good value for money. In this way, excellent teaching will be placed back at the heart of every student's university experience (in Wolfreys, 2011, p.10).

Wolfreys (2011) argues that rather than 'empowering' students with more knowledge to make better decisions regarding their HE choices and experiences, such practices as 'putting student surveys of courses online' to enhance the information base will not stimulate competition between academics. Rather, it will make them more fearful (p.12). It may also make lecturers 'play to the gallery' and try to score highly in an academic beauty contest, with a focus on eductainment, rather than intellectually challenging students. It might also mean a grade-inflators charter, as lecturers attempt to win student support in the cut-throat popularity stakes.

Competition is a crucial element of markets. Its centrality stems from its significance for the inner laws of capital:

Competition executes the inner laws of capital; makes them into compulsory laws towards the individual capital, but it does not invent them. It realizes them. To try to explain them simply as results of competition therefore means to concede that one does not understand them (Marx, 1858, p.752).

Thus: when competition is established in the provision of goods and services it simultaneously becomes one of the foundations for *capitalist* production. Inviting competition into any area of public service is to open the door to capital (though other conditions are necessary for capitalist production to ensue). As competition strengthens in any field of production (point 2 for Marginson, above) then human control over that field is reduced, for:

As long as there is capital, what are actually in control are the economic laws of capitalism. Individual capitalists, including individual state capitals and worker-run enterprises, must submit to these laws (Kliman, 2012, p.196).

Of course, open competition demands that business (in this case universities, faculties and departments) can adjust the prices of their products in order to reflect costs of production but also to compete effectively in the emerging higher education market. This is why Lord Browne (2010) wanted an open policy on higher education fees, with no cap or maximum imposed. This would have asserted the 'economic laws of capitalism' more directly and ruthlessly.

An open market in higher education in terms of tuition fees allied to an environment of enhancing competition makes for a greater

significance of money in education. The concepts of buying and selling higher educational provision gain great social reality and social validation. This would be so even when the actual 'buying' aspect is deferred (as in the current loan and repayment system in England).

In all of these ways, through increased marketisation, higher education in England is becoming more *capitalist* in nature: it is approaching the *form* of capital.

Commodification in Higher Education

The notion of education markets without education commodities makes no sense. As I pointed out in Rikowski (1996), the academic work on education markets in relation to schools in the late-1980s and early-1990s, following the 1988 Education Reform Act, focused almost exclusively on education markets in the schools sector at the expense of thinking about the nature of commodities produced in schools. Thus: 'education markets and missing products'.

Whilst the writing and research on contemporary higher education indicates a greater awareness of the processes of commodification in higher education, there are still some basic misunderstandings. This alludes to a distinction first advanced by Karl Marx (whilst analysing the work of Adam Smith) in 1863, in his *Theories of Surplus Value – Part One*. For Marx:

... the world of commodities is divided into two great categories: On the one side, labour power. On the other side, commodities themselves (Marx, 1863, p.171).

And also:

The whole world of "commodities" can be divided into two great parts. First, labour power; second, commodities as distinct from labour power itself (Marx, 1863, p.167).

This second class of commodities I have called the *general* class of commodities, as distinct to the unique and special commodity that is labour-power (Rikowski, 2000). The latter is unique not because it is a living commodity, but because it is the only commodity in capital's social universe that creates more value in the production process than is required for its own maintenance: i.e. surplus-value – on which the whole growth trajectory and existence of the capitalist mode of production rests.

It is important to keep the two classes of commodities in view, otherwise confusion can arise. In higher education today in England, the *general* class of commodities incorporates a vast range of commodities, though most of them are in the form of services of one sort or another. A degree can be viewed as a conglomeration of educational services, each being a separate commodity, though,

given the nature of education, they are also interconnected. Modules, seminars, lectures, tutorials, items of scholarship, research outputs (especially and most clearly in the applied sciences) and so on – all are in the process of being commodified, and are commodities (to varying degrees) in higher education today. The process is ongoing. Only empirical analysis in each case can determine the extent, intensity and development of such commodification.

The social production of labour-power, the capacity to labour, is also an aspect of contemporary higher education in England. Indeed, universities in medieval Europe were involved in the production of labour power (though not in a capitalist mode). The concept of 'employability' is a euphemism for labour-power whilst the concept of human capital is the form that labour-power takes in capitalist society: the human as a form of capital (Rikowski, 2000 and 2002). Employability refers both to the capacity of someone to obtain a job (the labour market aspect) but also to transform their labour-power into actual labour in the capitalist labour process (the labour process aspect). Enhancing employability is a key feature of HE in England today. For example, my own institution ran an 'Employability and Skills Week' a few weeks ago.

Capitalisation of Higher Education [3]

In the *Grundrisse*, Marx (1858) indicates that the most developed form of capital and capitalism is not when the conditions making for the *social reproduction* of capital are financed out of state revenue, but when capital directly produces socially reproductive processes. Marx notes that:

The highest development of capital exists when the general conditions of the process of social reproduction are not paid for out of *deductions from the social revenue*, the state's taxes – where revenue and not capital appears as the labour fund, and where the worker, although he is a free wage worker like any other, nevertheless stands economically in a different relation – but rather out of *capital as capital*. This shows the degree to which capital has subjugated all conditions of social reproduction to itself, on one side; and, on the other side, hence, the extent to which social reproductive wealth has become *capitalized*, and all needs are satisfied through the exchange form; as well as the extent to which the *socially posited* needs of the individual, i.e. those which he consumes and feels not as a single individual in society, but communally with others – whose mode of consumption is social by the nature of the thing – are likewise not only consumed but also produced through exchange, individual exchange (Marx, 1858, p.532 – original emphases).

Higher education is a socially reproductive form in contemporary capitalism. This is because it is involved in producing labour-power

(the capacity to labour). At one extreme, the state finances (out of taxation) the running of universities, though increasingly *less* so in recent years. Though value and maybe even surplus-value is generated in this process, any portion of surplus-value is not generally transformed into *profit*. This is to come.

On the other hand – during the ‘highest development of capital’ (not yet reached generally in HE in England) – capital owns and runs universities out of *capital itself*, underpinned by payments (fees) from the buyers (parents, employers or students), even if deferred through a loans system, and generates value, and surplus-value. Some of the latter is socially transformed into *profit* – which finds its way into the hands of definite individuals or groups of people (be they owners of educational institutions, shareholders or institutional investors). This is when capital acts as capital in the university system in a more *developed* fashion. As Marx notes in the first volume of *Capital*, the nearer schools (and then also universities) approach these circumstances then the more do they become ‘teaching factories’.

Even some currently constituted private schools, which have charitable status in England, do not approach the status of ‘teaching factories’ in Marx’s sense as there is underdevelopment of the category of profit. However, operators such as GEMS and Cognita in England, which run chains of private schools and are expanding, more readily approach the form of schooling that Marx describes as the ‘teaching factory’. In these schools, surplus-value and especially profit attain more effective and clear social definition. The same applies to universities – especially those run by the private sector, which David Willets and the White Paper (BIS, 2011) seek to encourage.

Somewhere in between these two forms of educating is what I have described as the ‘business takeover of schools’ (Rikowski, 2003), with the same applying to universities. This is where the state raises the finance for educational institutions and services, but they are run on a contract, by a company or companies for profit. Profits are made by running these institutions/services for less than the contract price (taking into account clawbacks when stipulated targets are not reached), and/or by a profit element being drawn into the original contract. Here, state revenue is transformed into private profit in the process. Thus, this process constitutes movement *towards universities as capital, the capitalisation of universities* (as outlined in the teaching factory example above).

For Marx, ‘the highest development of capital’, as he described the capitalisation process, is where aspects and areas of life become subjugated by capital, and function as value and surplus-value generating sites and practices. He notes particularly that the higher the development of capital then the more ‘all conditions of social

reproduction' (which would include education, health and other social services) become *capitalised*. He also emphasises that the other side of this development is that communal activities (such as education) are simultaneously transformed into individualised modes of consumption and produced 'through exchange, individual exchange' (Marx, 1858, p.532). Thus, *markets* are correspondingly developed as these formerly communal and activities are transformed (over time) into commodities incorporating surplus-value. Furthermore, the greater the development of capital, the more capitalisation takes hold of a social and communal activity, then the more the market is required to facilitate the realisation of profit in individual exchanges. As Marx notes:

The product becomes a commodity, leaves the production phase, only when it is on the *market* (Marx, 1858, p.672 – original emphasis).

Furthermore:

The more developed the capital [...] the more extensive the market over which it circulates, which forms the spatial orbit of its circulation, the more does it strive simultaneously for an even greater extension of the market and for greater annihilation of space by time (Marx, 1858, p.539).

Thus, the movement away from a state system of universities towards a business takeover of HE institutions (as outlined earlier), also constitutes a movement towards a system of 'teaching factories'; and the development of *markets* in the HE system *facilitates the development of capital within this system*. The processes are linked.

The development of the market form is both precondition and result of the development of capital and processes of the capitalisation of socially reproductive and communal activities and practices. In addition, in the social universe of capital, the deepening and diversification of markets and the development capital are mutually reinforcing. Marx explains why:

Free competition is the relation of capital to itself as another capital, i.e. the real conduct of capital as capital. The inner laws of capital – which appear merely as tendencies in the preliminary historic stages of its development – are for the first time posited as laws; production founded on capital for the first time posits itself in the forms adequate to it only in so far as and to the extent that free competition develops, for it is the free development of the mode of production founded on capital; the free development of its conditions and of itself as the process which constantly reproduces these conditions. It is not individuals who are set free by free competition; it's, rather, capital which is set free (Marx, 1858, p.650 – original emphasis).

Of course, in the world of HE in England, absolutely 'free competition' is a long way off – as it is in fact in most markets (education or other market forms) throughout the world. It is a matter of degree, of development and intensity. It also depends on the degree to which the *social relations of production* take on a specifically capitalist form.

PART 3: SOCIAL RELATIONS OF PRODUCTION

This section focuses on the social relations of production in contemporary higher education in England. They are approaching *capitalist* social relations of production, as the work of David Harvie (2006) indicates. Harvie demonstrates how universities already produce value and surplus-value. Some also generate surpluses, though these do not yet take the form of *profit*.

The Sausage Factory

Now we are at the core of this paper: the emerging social relations of production in universities in England. Karl Marx characterised the situation thus (in relation to private schools):

Capitalist production is not merely the production of commodities, it is essentially the production of surplus-value. The labourer produces, not for himself, but for capital. It no longer suffices, therefore, that he should simply produce. He must produce surplus-value. That labourer alone is productive, who produces surplus-value for the capitalist, and thus works for the self-expansion of capital. If we may take an example from outside the sphere of production of material objects, a schoolmaster is a productive labourer, when, in addition to belabouring the heads of his scholars, he works like a horse to enrich the school proprietor. That the latter has laid out his capital in a teaching factory, instead of a sausage factory, does not alter the relation. Hence the notion of a productive labourer implies not merely a relation between work and useful effect, between labourer and product of labour, but also a specific, social relation of production, a relation that has sprung up historically and stamps the labourer as the direct means of creating surplus-value. To be a productive labourer is, therefore, not a piece of luck, but a misfortune (Karl Marx, 1867, *Capital*, Volume I, p.477).

On the basis of this analysis, as the capitalisation of universities develops then capitalist social relations of production as developed in a dialectical relationship (as a form of internal relations) with the emergence of value, surplus-value and profit in the HE system.

Intensification

The intensity of distinctly capitalist social relations of production in higher education will be determined by all of the phenomena

outlined so far: the development of HE markets, commodification, and capitalisation (value, surplus-value and profit) being especially important. However, within capital's social universe – the social universe within which we live and within which HE develops – there is a tendency for capital to *intensify* its rule within all social spheres and domains within society. This is much easier to see today – especially with the strategies of the Coalition government (great private sector involvement in prisons, free schools and profits, police privatisation and so on).

Antagonism

Capitalist social relations of production entail *antagonism* between human representatives of capital (capitalists, managers) and labourers. The former institute regimes of control, work discipline, measurement and audit and surveillance and so on to squeeze the last drop of labour out of the producers. Again, Harvie (2006) is excellent on this point. Resistance, subversion, inappropriate coping methods (from a managerial perspective) and worse (for managements) the re-taking of control or developing alternative provision in competition, may be responses of the producers to varying degrees.

There is also antagonism between the producers (HE staff) in higher education and consumers (students). The latter may seek to maximise their benefit from what they buy (their employability, development of their labour powers, for example) and have some control over its quality and nature: through choice, competition (between the producers, setting staff-against-staff), voice (student surveys) and exit. Again, producers (staff) may feel resentment and antagonism towards the consumers, and view their interests as opposed to those of students (especially in relation to the research / teaching dilemma) – all the more so when managements appear to be deliberately intensifying this antagonism in divide-and-rule strategies. Indeed, having 'students at the heart of the system' (BIS, 2011) implies that student needs are more important than the needs of staff: the consumer is king, and 'always right'. Producers have to conform and comply to the wishes and whims of Consumer Kings (though in practice, I have found that the demands of the 'student as consumer' are ignored when these entail substantial costs). Neither are university managements and student-consumers always in harmony (e.g. over accommodation costs, cuts in course provision, teaching time) as the drive for greater productivity, cost-cutting and control over the 'student experience' impinge on student interests.

This conveniently all fits in with the drive to enhance 'employability' (labour-power quality) that, all else being equal, increases both the

earning power of students (though limited by labour market conditions) and labour productivity for capital: a happy coincidence – though not for the producers (HE staff) as this situation yields a conjuncture of power, a potential alliance, against these unfortunates. But this antagonism is not inevitable. Existing social relations of production can be challenged or bypassed. The consumer-producer antagonism can crumble under the force of working class solidarity; staff and students coming together against university managements and governments to work together on joint projects (e.g. fees/cuts and pensions).

PART 4: STUDENT MODES OF BEING

The previous Part indicated some of the social forces making for antagonism, division and conflict between representatives of capital with HE institutions, the staff-producers and student-consumers. But it need not be this way. I am also aware that I have not provided sufficient attention to other representatives of capital: government and state on the one hand, and employers and business folk on the other (not to be pursued here).

This final section sets out some possible modes of student existence. These are presented as alternatives, just to get clarity of options. But it need not be like this; students can (and do) pick-and-mix elements of each.

Student as Consumer

The idea of student as consumer is the dominating mode of existence for students within the discourse of government policies for HE (as in Lord Browne, 2010; and BIS, 2011). It is a mode of student being and life conducive to the capitalisation of HE. The picture of the empowered, fickle, hyper-critical and discerning (and armed with massive piles of data on institutional and lecturer performance) learner, ready to deal out judgement and 'justice' in the HE marketplace is almost venerated by people like David Willetts and Lord Browne of Madingley, the Confederation of British Industry, the Institute of Directors and the Adam Smith Institute.

Such students keep lecturers and university managements on their toes, it is thought by representatives of capital in the academy. They provide the data (through their choices and views in published surveys and course and module evaluations) that can be used to *discipline* the lecturers (and their managers) within HE. Market

disciplines can cut the need for explicit targets (that is more New Labour) in higher education.

It could be otherwise. Staff and students can critique this situation and act together to pursue their joint interests; though this is not easy, and the basic antagonisms that develop as the capitalisation of university life gain strength are ever harder to overcome. The issue of industrial action by staff, for example, becomes more of an issue for student-consumers as fees rise, job finding post-graduation becomes more onerous and the general level of competition *amongst consumers themselves* rises, with some students not buying into joint action, and as government representatives and employers scream "Employability!" from the sidelines.

Student as Social Enterpriser

An alternative to the student-as-consumer model is the notion of student as social enterpriser. The university where I work, the University of Northampton, is seeking to become the UK's leading HE provider in terms of giving students opportunities to engage in social enterprises (see University of Northampton und.a; and University of Northampton und.b – available on the university's website).

A social enterprise can be viewed in the following way:

Social enterprises are groups of people who work within the marketplace to benefit the community or address social problems (University of Northampton, und., p.1).

For students, this may involve work placements in social enterprises, or setting up a new social enterprise themselves, or volunteering. For the University of Northampton, 'Social Enterprise is increasingly being integrated across student degree courses at the University' (University of Northampton, und.b, p.6).

Some of the discourse within writing on social enterprises can take on an apparent critical tone regarding capitalist society. Thus, Kulothungan (2010) notes that:

We live in a capitalist society where the emphasis is on 'economic output'. Capitalism is characterised by the presence of the free market, where goods and services are produced and distributed through market mechanisms, and the state, which oversees the markets and take responsibility for some basic service delivery using tax revenues. There is also civil society, which consists of organisations and groupings that are distinct from government or the private sector and which complements the other two sectors with its own services to meet some unmet *social* needs – the third or voluntary or community sector (p.19 – my emphasis).

Social enterprises operate in this third sector, to meet unmet social needs. Social entrepreneurs develop social enterprises to meet these needs in the face of, either market and/or state failure, or incompetence in providing necessary services to meet such needs. Thus, the existence of social enterprises and social entrepreneurs can be viewed as an implicit critique of the capitalist state and the private sector. Indeed:

Social enterprises are seen as playing a unique role in society as they are better able to respond to perceived need in more efficient ways than public agencies, private sector organizations or traditional voluntary sector organisations (Bacchiega and Borzaga, 2001, in Kulothungan, 2010, p.21).

Yet whilst social enterprises attempt to circumvent the 'problem of money' by relying on free, voluntary or cheap labour of social enterprisers they do not change the social relations of production, with social entrepreneurs functioning as managers.

It is also interesting to note that the University of Northampton definition of social enterprise (above) sees these operating within the *marketplace* – with the market being a crucial element in capitalisation, as it limits, disciplines, motivates and 'executes the inner laws of capital', through competition. Treanor (2005) was in no doubt: being an entrepreneur 'is distinctly neoliberal' (p.13), and this seems to apply to being a social entrepreneur or social enterpriser too.

Student as Producer

This mode of student life does not leave capitalist relations of production in higher education intact and in stasis. It attempts to break down and reconfigure the social relationships between academic staff and students. The work of Michael Neary in the UK has developed the 'student as producer' concept to the fullest; and to the extent that the University of Lincoln (where Neary is the Dean of Teaching and Learning) has now formally embraced this concept in its provision (see Neary, 2008; Neary and Winn, 2009; Neary, 2010; and Neary, 2011). For Neary:

Student as Producer is a critical response to attempts by governments in the UK, and around the world, to create a consumerist culture among undergraduate students. The context for the new student as consumer is a system of higher education dominated by marketised and commercial imperatives. ... [And] ... The attempt to consolidate consumerism in British universities forms part of a much broader attempt by governments to reinstate the ideology of market-led social development following the near collapse of the world financial system in 2008 – 2009 (Neary, 2009, pp.1-2).

Furthermore, the development of contemporary HE does not address tensions between teaching and research (Neary, 2011, p.1). As an alternative, the Student as Producer concept reconstructs:

... the student as producer: undergraduate students working in *collaboration* with academics to create work of social importance that is full of academic content and value while at the same time reinvigorating the university beyond the logic of market economics (Neary, 2008, p.2 – my emphasis).

Hence, Student as Producer attempts to change significantly the social relations of academic production in HE and to undercut some of the antagonism between staff and students that the student-as-consumer throws up in a stark form, and which the student-as-enterpriser ignores (whilst also maintaining the social value of production in HE carried by this model of student life). Thus:

The idea of student as producer encourages the development of collaborative relations between student and academic for the production of knowledge (Neary, 2008, p.14).

Neary is ambivalent regarding whether Student as Producer has any anti-capitalist potential. It may have this outcome for some students. It may radicalise students.

On the other hand, it could be viewed as a form of teaching and learning that could function adequately without any wider political, economic and social import. It might become institutionalised within the world of contemporary capitalist HE and society without seriously challenging either, unlike the final mode of student being explored below.

Student as Communitarian

One of the outcomes of resistance to increased tuition fees, pension cuts, cuts in provision, the business takeover of HE and the nurturing of private sector involvement in HE in England has been the search for alternatives that take on anti-capitalist and *communitarian* tendencies. This extends to The University of Utopia, the Social Science Centre, the New Space (sponsored by the Marxist-Humanist Initiative) and The Really Open University. As tuition fees rise it opens up possibilities and social spaces for anti-capitalist, radical, alternative and communal forms of HE provision.

However, the notion of the Student as Communitarian hardly exists as a real option today. This mode of student life is only a potentiality. It would focus on *praxis* – bringing practical political activities (actual involvement in campaigns, occupations, strikes, protests and so on) with radical intellectual, communal thought and

scholarship. Like the Student as Producer, it would also seek to break down staff / student antagonism and to foster collaboration and joint projects, but unlike the Student as Producer model of student life it would seek to ground this intellectual activity within a project of *communisation*.

What is this?

Obviously at the heart of the word is *communism* and, as the shift to communization suggests, communism as a particular *activity* and *process* (Noys, 2011b, p.8).

Thus, following Marx, communism is not some end state, some distant goal: it exists here and now, within capitalist society as forms of activity. The Student as Communer researches, writes and theorises about and also participates in these activities, either on their own (with the support of senior communisers) or with others (who may be involved in assessment).

This raises significant questions regarding assessment (and whether there should be any) of work, the sustainability of such studies and students, organisation and so on and indeed whether people would ever want to become such students.

The Student as Communer remains only a possibility, but also a necessary step for social, educational and intellectual progress. Of course, such developments go hand-in-hand with the emergence of communising praxis and synergistic organisational forms.

Conclusion

What about universities that have been following a corporate, neoliberal model of education? How should we, as critical public intellectuals, fight against this corporate form of education? (Hill, 2012, p.9).

In my view, the student-as-consumer model is potentially a nightmare for HE. It cannot be assumed that staff / student relations can and will always become progressive and harmonious enough to rise above the antagonisms generated (increasingly) by the marketisation, commodification and capitalisation of HE in contemporary society.

The question of 'what is to be done?' is vital. Or, rather, as Andrew Kliman (2012) has it: 'what is to be *undone*?'

Notes

[1] Kliman (2012) provides a compelling account of why the Post-War Boom ended.

[2] Gamble (2009) outlines the nature, origins and development of the Washington Consensus most eloquently (pp.84-86).

[3] This section owes a lot to Rikowski (2005).

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First Draft: London, 22nd March 2012

Second Draft: London, 3rd April 2012

This (Third) Draft: London, 27th August 2012

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