

La Universidad neoliberal en Australia: crisis permanente

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SUMMARY

Taking the current discourse of universities in crisis as its starting point, this paper examines the shifts in Australian higher education policy that have led to the creation of the neoliberal university. It argues that the university in Australia has become a site for the reproduction of neoliberal ideology.

Keywords: crisis, neoliberalism, Australia, policy.

It is increasingly common to speak of universities as being in crisis. This refrain is coming from corners as diverse as the Australian government and the International Sociological Association. In the Australian context, this crisis is seen to be connected to shifts in the funding model for higher education, changes in traditional employment patterns for academic staff, and uncertain demographic trends within the student population. Essentially, the university is experiencing the same dislocations being felt within the broader, late-capitalist or neoliberal society.

Traditionally, and perhaps somewhat romantically the university has been seen as part of the public sphere, a place for the creation and development of knowledge which operated for the public good. Increasingly, however, the university in Australia has become a neoliberal institution, operating according to the logic of the market. In this paper I will be exploring some of the potential implications of this shift. Firstly, I will give some background on the higher education sector in Australia and the major trends in policy since the end of the Second World War. Then I will move on to a closer look at the deregulation of the sector that has occurred since the 1980s, paying particular attention to the arguments made to support such a shift. Then I want to conclude by reflecting on what role the university has, or should have, or even could have, in a globalised, neoliberal political economy.

What is a university?

The university is intrinsically embedded in the Enlightenment context that gave rise to it. The pursuit of reason as an end in itself and the belief in scientific objectivity underpins its foundational myths. As such, the university is seen by some as external to the more mundane world in which it operates, a special place of higher learning free from the profit motive that rules broader capitalist society. Education is seen as a public good, a part of the public sphere where public citizens come together for debate and discussion over the rules that govern them and society (Habermas, 1989). Education is also, however, a fundamental institution in the production of social relations under capitalism. Education shapes people as citizens and as members of a political or social community. Liberal, meritocratic education employs a range of devices such as examination, certification, ranking, to stratify these citizens and define them in relation to each other. As Marx pointed out, 'the human being is fundamentally a political animal ... an animal which can individuate itself only in the midst of society' (Marx, 1973:84). Education is one of many institutions that operate to produce this individuation in accordance with the broader ideological goals of the society. The university, therefore, cannot be understood as existing outside social relations; indeed, it is constitutive of them.

The university in the Australian context

Australia's university system was founded in 1851 with the creation of the University of Sydney. Over the course of the next 60 years five other institutions were created, funded by a combination of government grants and private donations and functioning autonomously from the state as set out in the legislation. Governments could not intervene directly in the operation of universities, but could exert influence through policy made at the national level, particularly regarding funding. In the immediate post-War period several parliamentary committees delivered reports on the sector that recommended the government increase its funding and support of the university sector. In 1965 the Committee on the Future of Tertiary Education in Australia, known as the Martin Committee, delivered its report on the sector to parliament. At the time, there were 14 universities within a higher education sector that included three other types of institutions: technical colleges, teacher's colleges, and specialist institutions like agricultural or paramedical colleges. The Martin Committee saw that tertiary education, especially technical education, should be available to all who had the capacity to undertake it, and suggested a reformulation of the institutional pathways within the sector into three distinct categories, universities, colleges or institutes, and teacher training facilities. These would cater to different groups of students, preserving the elite nature of university, while meeting the needs of the business. The government did not agree to separate teacher training facilities but did support the establishment of non-university tertiary institutions that were to be known as Colleges of Advanced Education (CAEs). This was the first binary system of tertiary education.

As early as 1964 commentators reflected that the Australian university was too focused on vocational outcomes, with Professor Sol Emcel of the University of New South Wales complaining that they were becoming 'service stations' for government, mere training grounds for public

servants (Beattie, 2010: 3). Arguments such as these, based in what Emcel himself identified as a 'culturalist view' of education to be an end in itself, see the university as separate from the machinations of the capitalist society beyond its front gates (Emcel, 1965: 2). Countering this position, others argued that in fact the vocational nature of Australian higher education reflected its truly democratic nature, and its role in fostering upwards social mobility. P.H. Partridge, Professor of social philosophy at the Australian National University declared that 'if Australian universities have appeared to be exceptionally utilitarian or vocational in spirit, this is mainly due to the character of the society they served. It is a society lacking a wealthy class with a background of education or culture; hence few students have entered the universities for the sake of the intellectual life they could live there' (Beattie, 2010: 2). These debates had at their core the question of what role the university plays in society. They are also linked to debates over Australian national identity. Partridge's comments reflected the widespread view that access to higher education should be available to all those who were desirous and able, and that this education would serve to build the individual's concrete productive capacity rather than serve any loftier, abstract intellectual aim. Ever since it ceased to be confined to a handful of elite institutions, then, university education in Australia has been directly linked to the production of human capital.

In 1973 a major shift occurred within the university system when the federal government abolished tuition fees. Prime Minister Gough Whitlam articulated this move in a discourse of 'access to tertiary education on the basis of merit and not of money' (Whitlam, 1972). This idea of equality of opportunity underlay the welfare statist approach pursued by the Whitlam government more broadly. Much like in other parts of the world, however, the end of the 1970s saw the 'crisis' of this economic model held up as evidence of the need to change to a more neoliberal model. This crisis was presented as being deep and immediate – as English Prime Minister Margaret Thatcher said, 'there is no alternative'.

The neoliberal shift

From 1980, overseas students were required to pay what was called an 'Overseas Students Charge', equivalent to about 40% of the cost of their course. This was the beginning of the end of Australia's brief experiment with free universal education. From 1986 institutions were able to offer full-fee-paying places to overseas students; in 1987 Australian students were required to pay an annual Higher Education Administration Charge; in 1989 institutions could charge fees for certain postgraduate courses, and the same year undergraduate students were required to pay a percentage of the cost of their course (roughly a third) through the Higher Education Contributions Scheme (HECS). This steady reversal of the prevailing orthodoxy regarding student contributions reflected a deeper shift in understandings regarding the role of education in society. The decision to allow the offer of full-fee-paying places to overseas students was influenced by a 1984 report to the government which argued for education to be seen as a potential 'export' product (Jackson Committee, 1984). This view of education as a product implied the existence of a consumer, which was codified in the user-pays system of HECS. According to the Wran Committee of 1988, which has recommended the introduction of the HECS system, it was the student who benefited most from higher education and therefore

who should contribute to its cost. User-pays is central to the ideology of neoliberalism, where the concepts of freedom, rights and choice are understood as faculties the individual exercises when engaging with the market.

This ideology was more clearly developed when in 1997 the conservative Howard government modified this system to introduce the ability for institutions to offer full-fee-paying places to Australian undergraduates (capped at 25% of total course enrolments), as well as a differential HECS system, where some courses would cost more than others.¹ These distinctions were made not on actual teaching costs, but on estimated earning potential of graduates. The most dramatic – and controversial – change at this time was the introduction of full-fee-paying places for domestic undergraduates. This move was articulated in a discourse of flexibility, choice and opportunity. Minister for Education, Senator Amanda Vanstone said in 1997, 'It is fundamentally unfair to young Australians that overseas students wishing to purchase a place at an Australian university may do so, while Australian undergraduate students are denied the same opportunity.' This move was seen to 'provide greater flexibility to universities and increased choice to students, their parents and employers' (DEETYA, 1996). In the clearest indication yet of the neoliberal turn in higher education policy, Senator Vanstone said that 'the Government's objective is to secure higher quality outcomes for the public investment in higher education while limiting the Government's direct role in the management and delivery of specific-purpose programs and streamlining reporting and accountability requirements for institutions' (DEETYA, 1996). Discourses of choice, freedom and flexibility legitimized the reorganization of the university sector along neoliberal lines, with less state intervention and greater emphasis on self-management. This trend has continued to intensify until the present day.

The model for economic growth under neoliberalism is that the wealth, once generated at the top, will 'trickle down'. Looking at the Australian university sector, while it is less clear that any wealth redistribution has occurred, examples of the trickle-down effect of neoliberal ideology abound. The emphasis on self-management and regulation that is central to neoliberal subjectivity can be seen in the responses to budget shortfalls of Vice-Chancellors and faculty heads across the country. In October 2011 La Trobe University Vice Chancellor Paul Johnson said a new round of 'voluntary, flexible work measures' were needed at the institution to deal with a \$36 million hole in its finances. Johnson blamed the projected shortfall 'partly' on a 4% pay-increase for staff (NTEU, 2011). The message was clear: 'inflexible' staff demanding pay rises equaled a university in crisis, the solution to which was a shift in the mode of engagement on the part of these same staff members with their employer. La Trobe University, my own institution, has become an unfortunate test case for the impacts of the shift to a demand-driven funding model, and clearly demonstrates the way in which the discourse of neoliberalism has become internalized within universities themselves.

1 The three bands or categories are: Band 1) arts, humanities, social studies, behavioral sciences, education, visual/performing arts, nursing, justice and legal studies; Band 2) mathematics, computing, other health sciences, agriculture/renewable resources, built environment/architecture, sciences, engineering/processing, administration, business and economics; Band 3) law, medicine, medical science, dentistry, dental services and veterinary science.

In 2012 Australian higher education will move to a demand-driven, or 'voucher' funding model. This means that universities will be free to enroll as many students as they can attract – and that they will be funded according to this number. This policy has its origins in the 1998 West Review and its report *Learning for Life*, and has been an important element of higher education review recommendations for over a decade. The voucher system represents an interesting development on the user-pays model. Under a regulated user-pays system, the student is transformed into a customer, but their exercise of that subjectivity is restricted by other policy elements like enrolment caps. A voucher system invests the student/customer with the ultimate neoliberal quality, freedom of choice. It is a demand-driven system, placing the consumer in the driver's seat of university funding. The role of government in deciding grant allocations is greatly reduced and the whole system runs purely according to the logic of the market.

CONCLUSION

The neoliberal university and possibilities for sustainability

The changes in the Australian university system since the beginning of the 1980s have continually been legitimized by the invocation of a 'crisis' in higher education. These recurring crises however are best understood as the permanent condition of the neoliberal university. Neoliberalism is a regime of crisis. The neoliberal university, then, experiences permanent crisis as a fundamental and intrinsic part of its operation. It is through crisis that neoliberal subjects are produced. The stratification of university degrees based on earning potential, the designation of higher education as an export product, and ultimately the transformation of the entire funding model via the recreation of students into model neoliberal agents point to the fundamental role the university now plays in transforming the productive and ideological basis of society. The situation is reminiscent of the scene depicted in the Communist Manifesto:

The bourgeoisie, wherever it has got the upper hand, has put an end to all feudal, patriarchal, idyllic relations. It has pitilessly torn asunder the motley feudal ties that bound man to his 'natural superiors', and has left remaining no other nexus between person and person than naked self-interest, than callous 'cash payment' ... It has resolved personal worth into exchange value, and in place of the numberless infeasible chartered freedoms, has set up that single, unconscionable freedom – Free Trade (Marx & Engels, 1920: 3).

Where to then for a sustainable university? A common response to the onslaught of neoliberal globalization has been a yearning for the social democratic and welfare state, a sentiment that could be read into the passage from the *Communist Manifesto*. The current narrative of 'crisis' in the university sector assumes that at one time the university was *not* in crisis, that the current moment is a state of exception. The Australian university, like all universities, has always had a symbiotic relationship to the needs of the broader capitalist political economy, which is itself a system built on

permanent crisis. Those of us working within the university in Australia face an important challenge in developing alternative pedagogies that can work towards sustainable development without internalizing and replicating the ideology of neoliberalism that surrounds us.

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