

Reforming European Universities and Reforming European Welfare States: Parallel Drivers of Change?

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Introduction (1)

- Higher education has been largely publicly-funded in its traditional European forms. Its period of the largest growth coincided with the development of the post-war welfare states across Europe.
- Currently, **massification** processes in higher education are in full swing across Europe – while welfare states are under most **far-reaching restructuring** in their postwar history.
- Despite changes in the governance, management and funding of European universities, policymakers seem systematically focused on **further structural changes** in their national higher education systems. European-level developments and European-level and global discussions powerfully support **reformist attitudes**.

Introduction (2)

- On reading national governmental and international reports: **profound transformations** of both the higher education sector in general and of the sector of research universities in particular are **still ahead of us** (EC 2011). The “modernization agenda” of European universities is strongly linked to wider organizational changes in public sector services.
- **“Transformation”** is different from three other forms of change (adjustment, isolated change, and far-reaching change): “The depth of the change affects those underlying assumptions that tell an institution what is important; what to do, why, and how; and what to produce” (Adriana Kezar 2003: 31-33)

Introduction (3)

- Here: links between reform agendas and their rationales in **higher education** and in **the welfare state**. Lessons learnt from both.
- Assuming that higher education services have traditionally been state-funded welfare state services in postwar Continental Europe, welfare state reforms debates as a background to higher education reforms debates are a significant **missing link**; the two largely **isolated policy and research areas**.
- **Permanent** processes of reforming universities do not lead to their **complete** reform. They rather lead to further, ever deeper, reforms across Europe.
- While **arguments** in favor of reforms vary over time and across European countries, today they seem to be becoming increasingly **homogenous** (the OECD and the World Bank).
- The two organizations have been major providers of analytical frameworks, definitions, large-scale comparative datasets and their extended analyses of pensions, healthcare, and higher education in the last decade.

Introduction (4)

- Higher education in Europe: under powerful reform pressures; the changes were always viewed as dramatic, critical or fundamental. Reforms tend to produce “**further reforms**”, as shown in the organizational studies (Brunsson 2009: 91; Brunsson and Olsen 1993).
- Despite relatively convergent global and European-level arguments for reforms, there are different directions of current and projected academic restructuring in different national systems and different directions of their implementation (Kwiek 2013).
- We expand the traditional scope of the “welfare state” term and instead of focusing on what some term its “**semantic core**” (such as old-age security or healthcare), we discuss one of its “**sub-fields**”: education (Nullmeier and Kaufmann 2010: 89).

The Golden-Age Constellation (5)

- Recent paradigmatic changes in viewing **welfare state futures** are seen here as inevitably linked to possibly paradigmatic changes in viewing **higher education futures**. Historically: the dramatic growth of higher education coincided with the dramatic growth of welfare states in postwar Europe. Now: the restructuring of the foundations of the latter may change the way both policymakers and European societies view the former.
- What Stephan Leibfried and colleagues term “**the golden-age constellation**” of the four components of the modern nation-state (the territorial state, the constitutional state, the democratic welfare state and the interventionist state) is **threatened**: “different state functions are threatened to a greater or lesser degree, and subjected to pressures for internationalization of varying intensity” (Hurrelmann et al. 2007b: 9). One of the dimensions of the constellation” under renegotiations today - higher education policies.
- New ideas leading to changes in the overall functioning of the state and public sector services in Europe: HE and its **fundamental financial dependence on tax-based state subsidization**.

HE and the welfare state (6)

- Transformations to the state powerfully affect – both **directly and indirectly** – public higher education systems in Europe. The two major dimensions: **financial** arguments and **ideological** arguments for further reforms in both wider welfare state services and higher education.
- A complex interplay of influences between **institutions** and their **environments** (universities and changes in the outside world, from which they draw their resources, founding ideas, and social legitimacy).
- „University attitudes” and „welfare attitudes”: questions about the existing social arrangements in higher education today, leading to ever deeper structural reforms, are about these arrangements’ legitimacy, justice, and normative grounding (or about higher education’s **institutional “raison d’être”**, Olsen 2007b).

Universities and Their Legitimizing Discourses (7)

- The power of the modern university = the power of the **accompanying discourse of modernity** in which the university held a central, specific (and carefully secured) place in European societies (Rothblatt and Wittrock 1993, Wittrock 2003).
- Any relocation of the institution in the social, cultural and economic architecture - requires a new discourse which legitimizes and justifies it and sustains public confidence. No high level of **public trust** = no high level of **public funding**.
- Struggles over future forms of the institution = struggles over **discourses which legitimize its place**: in the last decade, intensified, global, with the strong engagement of international and transnational organizations and institutions.
- To a large extent, the future scope of public subsidiation of universities will depend on the social and political acceptance of legitimizing discourses currently produced around them (especially at **supranational** levels increasingly accepted in policymaking communities across Europe, with stronger or lighter “**national filters**” (see Gornitzka and Maassen 2011).

Individual contributions and a zero-sum game (8)

- The idea of the welfare state is under renegotiations, and the conditions for access to, and eligibility, for various tax-based public services are under discussions.
- It is increasingly related to possible **individual contributions** (co-funding and private policies in healthcare, multi-pillar schemes in pensions, and cost-sharing in higher education).
- Transforming governments: the rules of a **zero-sum game**: higher expenditures in one sector of public services or public programs occurred at the expense of expenditures in other sectors of public services, programs or public infrastructure (roads, railroads, law and order etc.). Future impact of the fiscal crisis?

Financial Dimension (9)

- The **financial dimension** of changes in both welfare state and higher education seems crucial, especially that costs generated by all welfare state components and each of them separately cannot be easily reduced.
 - „Society values what the University produces **relative** to how those resources could be used **elsewhere**; ... The “marketization” produces a set of relative prices for each [service] that reveals, in monetary terms, just how important these activities are when compared to issues such as healthcare, crime, social security or any other good/service that is funded by the public purse. It does nothing to reduce universities’ roles as bastions of free inquiry or their promotion of democratic ideals; it only **recasts the problem in terms of the resources available** to achieve them” (Salerno 2007: 121).

Financial Dimension (10)

- Viewing state subsidization of higher education in the context of other competing welfare state claimants to the public purse introduces the “**doing more with less**” theme to the higher education reform agenda (Hall 2010). State-funded services and programs have traditionally included healthcare, pensions, and education; but today the costs of healthcare and pensions are expected to be escalating in aging Western societies while education, and especially higher education, is increasingly expected to show its “**value for money**”.
- The welfare state after the “Golden Age” of the 1960s and 1970s entered an era of **austerity** that forced it “off the path of ever-increasing social spending and ever-expanding state responsibilities” (Leibfried and Mau 2008: xiii).
- Similarly, public higher education and research sectors in Europe also stopped being a permanent “**growth industry**” (Ziman 1994), with ever increasing numbers of institutions and faculty.
- The transformation paths of welfare state and higher education show **close affinities**.

Pressures and Beliefs (11)

- **First - financial.** The costs of both teaching and research are escalating, as are the costs of maintaining advanced healthcare systems (Rothgang et al. 2010) and pension systems for aging European populations.
- One of possible areas for social renegotiations is clearly the **mass public subsidization** of higher education. Even though their outcome is still undetermined, in many European countries the pressure to invest more **private** funding to higher education through fees and business contracts has been mounting.
- **Second** type of pressures on public services is **ideological**. It comes mainly from global financial institutions and international organizations. The view: the public sector **deserves less unconditional social trust** combined with unconditional public **funding**.
- Public perceptions of the **public sector in general** (just like public “welfare attitudes” towards public sector services) may gradually influence public perceptions of **European universities**.

Conclusions (12)

- First, public higher education worldwide is a **much less exceptional** part of the public sector: both in public perceptions and in organizational and institutional terms (governance and funding modes).
- Second, **further reforms** of higher education systems in Europe seem **inevitable**. The forces of change in Europe seem **structurally similar**, although they seem to act through various “**national filters**” (Gornitzka and Maassen 2011).
- Third, it is increasingly difficult to understand the dynamics of possible future transformations in European higher education without understanding the transformations of **the wider social world**. In particular, transformations to the state in general, and European welfare states.

Conclusions (13)

- Fourth, the notion of the increasingly **competitive nature of public funding** made available to different public services is very useful: the allocation of public resources among competing public services is increasingly based on understanding of **comparative and relative advantages of various options**. Social outputs of spending in one policy area are increasingly assessed against **social outputs of spending** in competing policy areas.
- And finally, it is hard to imagine that the university **would not follow** transformations of all other public sector institutions and of the foundations of modern European welfare states. New ideas of functioning of the state **indirectly** give life to new ideas of functioning of universities – traditionally heavily, in both teaching and research, dependent on public funding.
- We suggest here that the better we **understand** the former ideas, the better we understand the latter ideas. (Which provides fertile ground for both higher education research and higher education policy research).
 - Thank you!

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