Abstract

The paper relates current transformations in higher education in European economies to current transformations of the public sector in general, and changes in higher education to changes in other public services provided within traditional European welfare states. In particular, it links ongoing discussions about the future of the welfare state under the pressures of globalization and changing demographics to discussions about the future of public investment in higher education and to the wider question of the production and reproduction of the university. It discusses the position that the World Bank is taking with respect to both the state, public sector reforms and higher education reforms, both in general and for transition economies, and highlights the contrast between its publications on the future of the welfare state and the future of public higher education. The World Bank has been particularly involved in both the conceptualization and implementation of reforms of major public services, especially but not only in developing and transition countries: the reforms of education, healthcare, and pensions. Further, the paper discusses the state’s changing fiscal conditions and major competitors to higher education among welfare (and other) services, especially in the European transition countries. It links the question of the reformulation of the pact between the nation-state and the modern university to the issue of the renegotiation of the postwar welfare contract in general. The paper finds it useful to view higher education in the context of changing welfare state policies as higher education is a significant part of the public sector and welfare state services, in general, have been under severe pressures, both on the theoretical and practical levels. Finally, tentative conclusions are given.