



# **Powershifts: Change and Higher Education in Europe**

Susan L. Robertson  
Faculty of Education, University of Cambridge  
slr69@cam.ac.uk

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## Abstract

In order to understand the rise of authoritarian populist politics and the reassertion of nationalisms in the contemporary era and their relationship to higher education I argue we need to historicise our accounts, and place universities in their wider contexts. To do this, I introduce four 'powershifts' which I argue are central to understanding these changes. Powershift 1 examines the 1970s global economic crisis, the emergence of neoliberalism as a political project, its expansion outward. Powershift 2 explores the events surrounding the now iconic moment - 'September 11', 2001 - giving rise to new forms of imperialism, conflict, an intensification of state surveillance and securitization in universities, in the face of a global movement of refugee populations. Powershift 3 addresses the consequences of the rise of finance capital and weak state oversight leading to the global financial crisis in 2008, the bailing out of the banks, and subsequent effects on student indebtedness and university finances. A final Powershift 4 brings us to the present conjuncture - 2016 onwards - marked by a rise in authoritarian power, rising racism and xenophobia, and a worsening situation for the lower and middle classes that can be read through parallel education biographies and qualifications.

Keywords: globalisation, populism, security, migration, inequalities, politics, universities, imperialism

## Bio

**Susan L. Robertson** is Professor of Sociology of Education, Faculty of Education, Cambridge. Susan has written widely on the relationship between globalisation, education and societies. She is particularly interested in opening up new ways of understanding the regional and global governance of education systems, and what it means to be globally engaged and competent. She is the founding editor of *Globalisation, Societies and Education*.



# Ruptures

In a blog entry written in the days that followed the result of the June 2016 Referendum in the United Kingdom (UK) – whether to ‘remain’ or ‘leave’ the European Union - I wrote: “...somehow the earth seems to have shifted off course - by a tilt in its axis” (Robertson, 2016). Though the margins were not overwhelming, with the ‘leave’ vote at 51.9 per cent and ‘remain’ at 48.1 per cent, nevertheless, the leave campaigners insisted that ‘the people’ had spoken. In the days that followed, a pattern became clear.

Whilst ‘the people’s’ vote to leave coalesced around migration (intra-European and refugee) and national sovereignty issues, close scrutiny of the voters and their patterns of voting revealed an underlying structural issue. These were socio-economic groups who had been left behind as a result of neoliberal policies that had delivered deindustrialisation, the 2008 global financial crisis, and a decade of austerity (Dorling and Tomlinson, 2019). Rather than all boats rising, which had been the mantra of neo-liberal evangelisers, those voting to leave were significantly poorer than they had been a decade earlier (ibid). They were also less well educated, or whose education had not translated into the promise of a well-paid job. It could be argued, therefore, that the Brexit vote was symptomatic of deeper transformations that had taken place over the past forty years. The relatively well-off Brexiters within the Eurosceptic political elite had managed to touch the raw nerve of resentment amongst those who had been left behind, turning this into a venting against an imagined enemy; refugees and migrants, and Europe (Eco, 2013).

Brexit, as the organised ‘leave’ campaigners had come to name it, was set to take both the United Kingdom and the EU into uncharted waters. No European member country had tried to unravel the multiple entanglements and interdependencies arising from years of integration between themselves and their continental European neighbours. For the UK, great swathes of activity - from security and defence, to the movement of people, goods and services – would all have to be unpicked and new kinds of expertise had to be found quickly.<sup>1</sup>

If Brexit was a very British affair, it was also global. As Nancy Fraser remarked in a paper published in 2017, “...there is no shortage of analogues elsewhere” (p. 1). From the election of Trump in the United States in November 2016, to the disintegration of the social democratic centre right parties in Europe, and the election of far right and populist candidates in Latin America, a new world order and its ‘disorder’ was becoming apparent. If this was a global political crisis, what were its causes?

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<sup>1</sup> For example, the Department for Trade in the European Commission was the sole negotiator on behalf of all of its member countries. As a result, the UK had very little specialist trade negotiation expertise in its government departments.

Closer to home, and the focus of this paper, such questions are big and important and need to be understood both up close now, and with wisdom of a longer arc of time looking backwards. How did we get here? And what might this mean for the future of European higher education and its various instruments and processes, and for the UK? Is, and if so how, higher education implicated in these developments given that one line of cleavage is what is called educational segmentation (Bovens and Wille, 2017)?<sup>2</sup> By this Bovens and Wille mean that the nature of one's education qualifications maps pro- and anti-Europe; pro- and anti-Brexit; pro-and anti-Trump.

And this was not the only line of fracture. Growing divisions between communities in the UK, particularly around Islam, were fanned by a hostile government department whose tightening immigration and surveillance projects which were having profound effects on those within the higher education sector in the UK. What do these cleavages tell us about the new forms of imperialism, and the cultural politics of neoliberalism and its material effects, and how this complex and shifting set of dynamics has both shaped and been shaped by higher education policies, programmes and practices?

In the rest of this paper I will argue that in order to make sense of these dynamics, we need to trace out a series of ruptures and crises that have had deep social, political and economic consequences for their wider societies, as well as on the higher education sector within. In the following section I frame these as a series of distinct and discrete, though internally related, powershifts.

## Powershifts

'Powershift' is the title of a highly influential popular book by Alvin Toffler published following the collapse in the Soviet project in 1989, and with it the end of the Cold War which had structured relations between the West and the Soviet bloc from the 1950s onward. What might the future look like, with socialism no longer a threat, asked Toffler. He notes: "The end of the Cold War not just brought about mere adjustments among states, but a novel redistribution [of power] among states, markets and civil society. The steady concentration of power in the hands of the states that began in 1648 with the peace of Westphalia is over, at least for a while" (Toffler, 1991: 1).

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<sup>2</sup> In other words (with the exception of Scotland), in the UK referendum those voting remain had higher levels of education qualifications, whilst those voting 'leave' largely had lower levels of educational qualifications.

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In short, the collapse of the Soviet empire opened the door for the novel redistribution, or shift, of power upward, outward and downward. This included the further expansion of capitalist markets into the post-Socialist countries as well as previously decommodified spheres of social policy, an extension of US dominance in the global economy and society, a reinvigorated set of regionalisms across the globe (Robertson et al., 2016) and the ramping up of the governing by the multilateral institutions (Sassen, 2006). In this paper I will draw upon Toffler's use of the idea of a 'powershift' to signal significant ruptures in existing institutional and social arrangements, opening space for the recalibration of the redistribution of power and control amongst competing social forces operating at multiple scales.

In this section I introduce four 'powershifts' which are central to understanding contemporary higher education in the UK particularly, and with consequences for Europe. Powershift 1 examines the 1970s global economic crisis, the emergence of neoliberalism as a political project, its expansion outward. Powershift 2 explores the events surrounding the now iconic moment - 'September 11', 2001 - giving rise to new forms of imperialism, conflict, an intensification of state surveillance and securitisation, and the global movement of refugee populations. Powershift 3 addresses the inevitable consequences of the rise of finance capital and weak state oversight leading to the global financial crisis in 2008, the bailing out of the banks, and subsequent effects on redistribution. The final Powershift 4 brings us to the present conjuncture - 2016 onwards - marked by a rise in authoritarian power, populist politics, rising racism and xenophobia, and a worsening situation for the lower and middle classes. I'll be arguing that each powershift emerges out of a crisis in the spheres of the economy, politics and the cultural or lifeworld. Interventions are efforts to contain and stabilise those crisis tendencies through spatially strategic governing projects. In short, as we will see, whilst neither Trump nor Brexit were planned, they could well have been predicted as the likely outcomes of political projects and their material consequences for daily lives and life-worlds (Sayer, 2011).

These shifts can be broadly traced via three logics of power. The first two logics are what Arrighi (1994: 33-34) calls 'territorial' and 'capitalist' logics. I would argue that there is also a third logic - the making of the 'social individual' - whose lifeworld and world-view emerges out of social interaction, sense- and identity-making (Bernstein, 2000; Fourcade, 2016). Each is different from the other in that the motivations and desires, situations and processes of these agents differs in relation to these logics, and what is to be focused on. For example, whilst the capitalist holding money will wish to put it where-ever profits can be had in order to accumulate more capital, territorially-located politicians and statesmen will typically seek outcomes which sustain or augment their own state vis a vis other states, and in relation to its citizenry. The social individual, however, emerges out of reflexive, semiotically-mediated, encounters with others/ideas/objects, whose structuring categories produce social selves, ways of seeing and being, and social orders. These three logics may well tug against the other as profit making, state-making and identity-making do not always map onto each other. At the same time, these logics can also reinforce each other; for instance, when the territorial state guarantees political structures that enable the

accumulation of property, where particular kinds of identities legitimate the state's capacity to govern, or when particular worldviews reinforce the prioritising of particular logics in new spheres of social life.

### **Powershift 1 - Insurgent Markets/Individualising Minds**

A great deal has been written both about this first powershift both more generally and in relation to higher education. At the heart of this account is the instituting and embedding of neoliberalism as an organising ideology, the making of market societies (Slater and Tonkiss, 2001; Leys, 2003) and market civilisation (Seabrooke and Bowden, 2004). How and why did this happen, and what have been the implications for higher education in Europe both at the time and in relation to present developments?

The reference point for this first powershift was the iconic global 'oil shocks' in the 1970s (Harvey 1989). In truth, however, by the late 1960s it was evident that economic growth in the industrialised world had begun to slow, with internal markets saturated and profit margins falling (Streeck, 2014). Firms went in search of new export markets for their surplus output, for places with lower labour costs, with fewer government regulations (Harvey, 1989: 141-2). More generally, the period from 1965 to 1973 was characterised as one in which the post-War 2 development model of Fordism and Keynesianism were unable to contain the internal contradictions of capital. The economic engine – capital - that powered capitalism, was in trouble (Harvey, 2014: 10-11). The hegemony of the Keynesian National Welfare State and Fordist production model was now in crisis (Jessop, 1999).

The 1970s global recession that followed opened up new terrain for struggles— between Hayekian neo-liberals and Keynesians (Hobsbawm, 1994: 409), and subaltern groups (gender/ethnicity/race) opposed to their subordination by bureaucratic, patriarchal and racial structures they deemed forms of violence. Though a Hayekian victory was not immediate, as Peck (2013) reveals in his book *Constructions of Neoliberal Reason*, the continuing shortfalls of Keynesianism (one size fits all bureaucratic governing/state patriarchy), as well as potent claims about the exploitation of the public commons (overloaded government thesis), played on, and to, both those claiming liberal freedom through the market and the politics of recognition and difference.

Yet the basis for a new economic and social development model was not immediately obvious, though there were a number of contenders; these included the idea of a learning economy (Lundvall and Johnson, 1994); a network society (Castells, 1996), and a knowledge society (UNESCO, 2005). However, by the mid-1990s, the idea of a 'knowledge-based' economy was increasingly embraced by the OECD (Foray, 2004), with the OECD and World Bank respectively investing in sets of indicators to 'measure' knowledge-based economies (Robertson, 2009).

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If knowledge economies were dependent upon boosting knowledge stocks (as human capital), their decisions were also shaped by the view that the West had a comparative advantage in sectors like education, which might form the basis of new trade arrangements. Targets for higher education enrolments were set so as to increase both enrolments at home and to open up education sectors to full-fee-paying students from overseas. In the case of the UK, this meant leaning upon old colonial ties, such as Hong Kong, Malaysia, India, Pakistan and Nigeria to recruit full-fee-paying students to UK universities (Robertson and Kedzierski, 2016). Those countries opening up their higher education sectors to international fee-paying students also had active government departments and allied interests (firms seeking to enter public service sectors in sectors that had been largely government monopolies) who were busy negotiating at the multilateral level to include education services in trade agreements, such as the World Trade Organization's General Agreement on Trade in Services (Robertson et al., 2002).

In this new context of global competition and the development of an education services sector, universities were now charged with driving the development of a competitive knowledge economy through the creation of knowledge rich products (as a result of ideas leading to innovations), a new breed of entrepreneurs, and by boosting a culture of small start-ups, spin out firms, and the creation of intellectual property. They would also be sites for new forms of financialisation; of loans and other forms of credit to students, institutions, and nations.

The broad detail of this narrative is now a familiar story, but what kind of powershift was this? In essence it was to effect a change in the very fabric of the society and its constituent social relations (Leys, 2003); as a market society (Slater and Tonkiss, 2001). Neoliberalism as a political project would set in motion the unravelling of the old social contract, whilst the extension of capitalism into de-commodified social policy realms, such as education, was set to reshape both institutional life and the life-worlds of individuals. This was the culture of the new capitalism (Sennett, 2006), with education itself tasked with both producing and reproducing this new culture.

Higher education would be both globalised and regionalised. Regionalisation projects emerged as a protection against the turbulence of neoliberal globalisation (Hettne and Söderbaum, 2000). Most notable for higher education in Europe was the Bologna Process (1999). This entailed putting into place a single framework that redefined degree structures across Europe and beyond. A competitive European higher education sector was intended to limit the movement of graduate students to the United States (Robertson and Keeling, 2008). In doing so, it would also help boost the European Commission's Lisbon Agenda (Robertson et al., 2016). This Lisbon Agenda was a strategy aimed to create a dynamic and competitive economy, and a socially cohesive Europe through a programme of nationally-coordinated growth and investments in research, higher education, and new technologies (Robertson et al., 2016). Lisbon provided a mandate and agenda for extending the reach of Europe's policy responsibility deeper into national territory – education – and ultimately

outwards to the rest of the world. The Lisbon Agenda also confirmed a neo-liberal understanding of higher education's contribution to the socio-economic well-being of the region; building and securing human capital.

Arguably the most successful European country in transforming key aspects of social life into a market society has been England.<sup>3</sup> In higher education the creation of a higher education market gained considerable momentum following the dismantling of its funding for 'home/EU' undergraduate places in universities and the establishment of a system of student loans legitimated by narratives like public savings, fairness to those not accessing universities, and a 'graduate premium'.<sup>4</sup>

According to the government, the urgent policy question had become: how to "...widen access and sustain and improve standards of university excellence in an increasingly pressured global context and in a more constrained public spending environment" (BIS, 2009: 3). In other words, how best to open up more places in higher education without increasing the longer-term financial burden on government.

It was this issue that set the terms of reference for the *Independent Review of Higher Education Funding and Student Finance* (the "Browne Review" led by John Brown, formerly Chief Executive of the oil and gas multinational, BP) in 2010. Under arrangements at this point, the Higher Education Funding Council for England (HEFCE) partially funded each place. However, HEFCE limited its annual outlay by imposing a total recruitment cap on student numbers on each institution. The Browne Review (Browne, 2011) built into its recommendations the withdrawal of the block grant to social sciences, humanities and arts (with sciences and technology areas, and vulnerable subjects like languages protected). It also recommended lifting the ceiling on student fees to enable universities to recover their lost block funding via significantly increased student fees.

Fee increases were justified with the following observation; that in 2006, the ceiling of the Graduate Student Contribution had been raised to £3,000 but contrary to popular opinion, this had not discouraged students from seeking places. Instead, demand for student places had increased (Browne, 2011: 20). The Review also proposed a readjustment of the student loan system, which placed the ultimate burden on students of the costs of their undergraduate degrees. Repayments

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<sup>3</sup> It should be noted that Wales and Scotland have different HE policies and fee structures as compared to England.

<sup>4</sup> The justification for the increased burden on students was that having a degree generated a significant increase in salary (graduate premium), of well over £100,000 over a lifetime. However, reporting an average in this way removes from view the fact that some professions (such as medicine, law, dentistry and business studies), generate significant returns which distorts the average. Students enrolled in areas such as the arts tend to earn significantly less than this over a life-time.

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would only begin at the rate of 9% of income on salaries over £21,000 over a period of 30 years after graduation. Monies not paid back during this period would be written off by the State.

However, the effect of setting an upper limit (£9,000 at the time) meant most universities in the sector, irrespective of their mission, status or social class intake, expected to charge students at or close to the ceiling, and not the recommended £6000. This not only created new problems for the state in terms of the overall costs of underwriting the student loan book until students paid back the loan, but the determination to institute a competitive, consumer-driven market in England has presented the government with other headaches. As McGettigan (2012a) shows, these 'savings' were nothing more than an accounting trick. In moving the funding of higher education from an institutional subsidy to a student loan underwritten by government, the government was using 'off-balance accounting' techniques, meaning that the money would not show up on the government's books as a deficit.

More importantly, these new funding arrangements have opened the door to for-profit private providers of higher education, for example FTSE listed Pearson Education, to enter the sector, with their students able to access the state-backed student loan book.<sup>5</sup> Prior to this, these providers had been excluded. Through commodification and financialisation of the English higher education sector was inching closer toward being more fully marketized.

Streeck (2014) shows that this first crisis and its subsequent socio-political and spatial shift in power, from the state to the market, has eventually given rise to new levels of both public and household debt. Efforts to expand and service sectors like education to meet the demands of a knowledge-based economy are, at the same time, undermined by government deals with corporations to lower the rates of corporate tax (faced with the threat that the corporations would go elsewhere). The privatisation of education debt to households was made possible by more generous opportunities for access to credit and unprecedented levels of indebtedness (Streeck, 2017: 7).

These distributional inequalities will come to matter in several ways, as we will see with the third and fourth powershifts. The question is why and how? To begin, the contradictory unity between production and realisation becomes far harder to keep in balance when the reliable non-discretionary habits of the working poor are eclipsed by the vagaries of the wealthy. For capitalism to work there needs to be a circuit of capital; those consuming need financial resources to ensure what is produced can be paid for (Harvey, 2014: 168). Greater and greater levels of indebtedness

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<sup>5</sup> There were 51,930 undergraduate students on designated courses at alternative providers (APs) in 2016/17. Of these, 25,785 were in their first year of study (HESA, 2019).

need to be serviced, at cost. This places limits on the purchasing power of graduates – including starting families, buying homes, and so on. Second, the promise of a return on education as an investment – the graduate premium – failed to be realised for many groups leading to a stalling if not reverse in social mobility. Such developments pave the way for a loss of confidence in the system that seemed to leave them worse off, and resentment toward those elites who seemed to have disproportionately benefitted from redistribution upward.

### **Powershift 2 – Insurgent Minds/States of Surveillance**

But there were other dynamics at work in reshaping higher education sectors in Europe, and particularly the UK. The potency of their effects on higher education were, in part, because of the closer integration of higher education into the global circuits of capital. Any political disturbance would also send tremors into the world of higher education via its expansion as a global market, and accusations that higher education institutions might be harbingers of insurgent minds. This was most visible in the days, weeks and months that followed Al Qaeda's attack on the World Trade Towers in the USA on September 11<sup>th</sup>, 2001, the subsequent invasion of Iraq in 2003, and the waged and civil wars over the decade in Libya, Syria and Yemen.

It is tempting to view these events through the prism of Al Qaeda, '9/11' and the invasion of Iraq. However, this was far from the case. Ali (ibid) points out that in 1997 the *Project for the New American Century* was published. The Project argued that America could not be complacent with the end of the Cold War. Notable signatories to the Project included Dick Cheney, Jeb Bush and Donald Rumsfeld (Ali, 2003: 7-8); key members of the Bush Administration which presided over the war in Afghanistan and Iraq. In 2001 Western forces invaded Afghanistan – sanctioned by the UN, backed by NATO. It was the first port of call in “the global war on terror” (Ali, 2008: 19). Two years later, the “national trauma of 9/11” was used to pursue an audacious imperial agenda of which the occupation of Iraq promised to one out of a series that launched a new imperialist agenda for the US (Ali, 2003: 7).

Harvey's (2003) account of the attack on Iraq is also insightful – and should be read through the predatory logics of capital, on the one hand, and the US' state's management of its own internal crises, on the other.

The recession that began early in 2001...would not go away. Unemployment was rising and the sense of economic insecurity was palpable, Corporate scandals cascaded over each other, and seemingly solid corporate empires were literally dissolving overnight...The current account balance with the rest of the world had gone from bad

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to worse as the United States became the biggest debtor nation of all time. Social inequality had long been on the increase, but the tax-cut fetish of the administration seemed set to increase it further (Harvey, 2003: 12).

Similar to Ali (2003, 2008), Harvey argues that a combination of the absence of the threat of the Cold War and thus no clear enemy, and in the context of rising precarity, and fear, that the US government needed a new enemy. Add to this the geo-political and economic interest of the US in oil, and a controlling presence in the Middle East, and the stage was set for a new stage of US imperialism (Harvey, 2003: 22).

The unleashing of oppositional forces, and the disintegration of civility, set in motion the unravelling of fragile relationships and complicated alignments across the Middle East that was to ricochet back to the West with fury. The war on terror had become a war of terrors. Importantly for my account, the displacement of large numbers of civilians as a result of wars in Central Asia and the Middle East, together with conflict in North and Sub-Saharan Africa would fuel one of the largest movements of people toward Europe since the end of the Second World War. According to the UNHCR, there were around 68.5 million forcibly displaced people in the world, including 25.4 million refugees (UNHCR, 2017). Students and academics were caught up in this mass of displacement, either concentrated in camps, or in search of a new life in Europe.

This imperialistically-motivated power shift had foreseeable and tragic consequences in multiple locations around the globe – from the violence waged in war, and the war waged on those it now assumed to be violent. Attacks in London, Madrid, Indonesia...and later Paris, Brussels, Manchester, Istanbul and London, triggered new rounds of surveillance. With many of these bombers and sympathizers grown at home and in some cases well educated – universities were identified as potential sites for radicalisation. The effects were immediate both in terms of the relationship between selected citizens and their state, and on higher education. Dependent as it was on the flow of students across its borders, any deliberate crack down on ‘terrorist’ centres and Islamic countries, or identification and containment measures, all contributed to the experience of being under surveillance. A new politics of insecurity and surveillance emerged in the heart of Europe, with major consequences for everyday social life. Visas took time or were rejected. Queues in airports lengthened, as did efforts to detect the next insurgent. The US and the UK leaked students as they turned to new destinations viewed as less hostile; Canada, Australia, Germany.

In 2003 CONTEST was launched in 2003 as a security strategy aimed at countering terrorism, with Muslims and Muslim neighbourhoods regarded as particularly ‘at risk’ (Heath-Kelly, 2013). ‘Prevent’ is one of four strands within this overall approach, though over time its focus has changed, with higher education institutions being drawn into its implementation. Statutory ‘Prevent duty’ duties’ that include monitoring in ways that prevented ‘people being drawn into terrorism’ (HEFCE, 2017: 4). As Glees and Pope (2005) note, the Home Office were persuaded by the finding that some

of the homegrown terrorists responsible for the London bombings in July 2005 had studied at British universities. As a result, universities were seen as places where extremist views might be fostered and thus a recruiting ground for potential Jihadists. Faculty were given new roles; to report on suspicious behaviour presumed to be evidence of radicalisation, and to declare all invitations to outside speakers so as to ensure radicalisers were not given a platform.

‘Prevent’ was rolled out not only in the UK, but across Europe. ‘Prevent’ strategies in relation to higher education have been particularly controversial, especially amongst students and faculty. Prevent reporting requirements on higher education institutions in the UK have stirred up feelings of alienation amongst ordinary Muslim students. There is also an inference that any critique of the UK State and British values is seen as a tendency toward an extremist position. This in turn places limits new kinds of limits on academic freedom (Saeed and Johnson, 2016).

The construction by the State, media and fearful populations, of Muslim communities as harbourers if not nurturers of the enemy within (Eco, 2013), had now set in motion a divisive xenophobia that reinforced new divisions of ‘us’ against ‘them’. In the academy, the effects were pernicious. As Saeed and Johnson (2016: 39) note the Counter Terrorism and Security Act (2015) makes it a legal obligation on universities to report on such potentially suspicious students, but “the idea of being monitored, the feeling of considered guilty because of religious association, is a familiar sentiment for Muslim students”. In Saeed and Johnson’s (2016) study, students report feeling singled out, being watched, and fearful of what might happen. This sense of threat was not only the preserve of students. Academics too felt vulnerable. Within the wider academy it also placed limits on academic freedom and thinking, where extremism was defined as opposition to fundamental British values, including democracy and the rule of law, individual liberty and mutual respect.

With this second powershift, new sets of collusions and collisions had been set in motion in the knowledge powerhouse; ones that have created a new set of divisions in the higher education landscape. Compliant administrators and academics were seen as colluding with the state. There was also a collision of logics - between the expansion of a global higher education services sector and the UK a desirable destination, and the UK state’s preoccupation with surveillance and terrorism within the academy. Taken together they display the multiple registers of violence that have led to seismic changes in the social relations within the academy.

### **Powershift 3: Resurgent Finance Capital/Compliant State**

On the 15th September 2008, what had been brewing as a veritable storm over sub-prime mortgages in the housing sector in the US in 2007, erupted into a full-blown global banking crisis when the investment bank, the Lehman Brothers, filed for bankruptcy. The excessive risk taking by the banks around lending, the lure for the banks of profits to be made from a range of new financial products,

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and lax government regulation of the sector in financial centres like London and New York, were the ingredients of a perfect storm. Like a house of cards, the accumulation and high default rate of these sub-prime mortgages led to a rapid devaluation of financial instruments (mortgage backed securities, bundled loan portfolios, derivatives and credit default swaps). As the value of these assets plummeted, the market for these securities evaporated and heavily invested banks began to experience a crisis of liquidity. A slew of banks was tipped to follow, with savers scrambling to withdraw what they could. High level negotiations were the stuff of hour on hour brinkmanship, as the Federal Reserve Bank, the Bank of England, the European Investment Bank and International Monetary Fund sought to fill the liquidity crisis with an injection of billions. The knock-on effects for the global stock market were deep and profound. This was the most serious financial crisis since the Great Depression of the 1930s. The scale of the failure promoted Alan Greenspan, former head of the US Federal Reserve to point to what ought to now be an existential crisis for the economics profession given their penchant for economic forecasting models (Green and Hay, 2015). How come no-one saw this coming, was a common refrain.

As Streeck (2014) reminds us in his account of the period, one of the problems of those analysing capital accumulation and its crisis tendencies is that they failed to think of capital as being capable of having a strategic purpose. Instead we treat capital as a means of production, rather than a class whose interests and motivations are to pursue economic activity so as to generate profits. In such a framing, capital had become a source of creative destruction rather than a player in the years that followed the 1970s crisis. Streeck, 2014: 19) argues: “When capital proved to be a player instead of a plaything; a predator instead of a working animal with an urgent need to break free from the cage-like institutional framework of the post war 1945 social market economy” – we tend to be surprised.

Yet the evidence was there for all to see. This was a class war; one being waged by financial capital, aimed at reversing the post war project of distribution. This can be seen in the New York Times interview with Warren Buffett in 2006, the fourth wealthiest person in the world: “...sure there is a class war, and it is my class, the rich, who are making it, and we are winning” (Stein, 2006: 1). But this is not just a story about the rise of finance capital, and its predatory, unchecked behaviour. Rather it was the inevitable outcome of neoliberal restructuring described in the powershift one elaborated earlier. Whilst advocates of neoliberal restructuring had promised a big increase in investment as business was unshackled from state regulation, high taxes and trade union pressures (Kotz, 2018: 39), apart from the boom in the 1990s around information technologies, the expansion through the 1990s and 2000s was large propelled by debt-financed consumer spending. Kotz (2018: 4) argues that these processes created three developments that were unsustainable that would eventually lead to the structural crisis of neoliberal capitalism: (i) growing private sector debt; (ii) new derivative securities by rent seeking banks which made huge profits from initiating and trading in them, and (iii) a declining rate of profit and excess capacity in manufacturing. Taken together, these developments created a new fiscal crisis of the contemporary state reflected in an escalation in public debt since the 1970s. Streeck argues that by replacing tax revenues with debt;

...governments contributed further to inequality, in that they offered secure investment opportunities to those whose money they would or could no longer confiscate and had to borrow instead. Unlike taxpayers, buyers of government bonds continue to own what they pay to the state, and in fact collect interest on it, typically paid out of ever less progressive taxation; they can also pass it on to their children. Moreover, rising public debt can be and is being utilized politically to argue for cutbacks in state spending and for privatisation of public services, further constraining redistributive democratic intervention in the capitalist economy (Streeck, 2014a: 43).

It took the economist, Thomas Piketty, to point to the workings and outcomes of resurgent finance capital in his book *Capital in the 21<sup>st</sup> Century* (2014). Piketty (2014) concludes that, if left to its own devices (weak institutional arrangements for redistribution through progressive taxation; pressure for high wages, high taxes and high skill arrangements), wealth distribution will tend toward the concentration in wealth accumulation, in turn producing inequalities. In other words, inequality is produced by both inequality from labour (wages differences) and inequality from capital (previously owned wealth).

As a public service, education has been a casualty of the debt state, with wages, investment in infrastructures, and redistribution to close inequality gaps, all under pressure. Paralleling the rise of public debt is the rise in private debt, and this matters again for education equality, as more and more, households are asked to shoulder the cost of running the highly competitive education race. The ready availability of credit, coupled with downward pressure on wages, has led to what Colin Crouch calls 'privatised Keynesianism'; the replacement of government debt with private debt as a mechanism for expanding the resource inventory in the national economy (Crouch, 2011: 97-124). No-where is this more evident than in the higher education sector in the UK and also the USA. Figures for the USA (2015) show that more than \$1.2 trillion is owed in student loan debt, involving 40 million borrowers, with an average balance of \$29,000 (Holland, 2015: 1). In 2017 in the UK it was reported that outstanding debt on loans jumped by 16.6% to £100.5bn at the end of March 2017, up from £86.2bn a year earlier, with England accounting for £89.3bn of the total (Monahan and Wiele, 2017). It is not just tuition fee hikes which have placed pressure on household budgets and created unprecedented levels of debt. Students are pushed to do more and more to thicken their CVs which involve additional resources. This has created a space for private lenders to offer new kinds of financial products to enable mobility, extension activities and tutoring.

Getting ahead via education in a highly competitive world is an expensive business, as it means increasingly significant amounts of resources being assembled and invested in those cultural, social and political capitals that will make a difference to your position in the status hierarchy and competition for talent. But in a world that has come to link 'talent' to very high salaries, and to justify very high salaries as the reward for talent, winning that race is worth the investment (Brown et al. 2011; Newfield, 2010). Like any race, however, there are winners and losers, though the size of the pool of losers is widening as the 'winner takes all'. Like all races too, the rules for engagement are always strategically selective of some over others. This is power that matters, with bite! As

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Brown et al observe: “...if the capitalist system has no loyalty to American workers, much the same can be said of American corporate elites. They have not simply played a game of winner takes all; they have created one” (2011: 115).

The issues are compounded when considering the changes that have occurred in the reorganisation of work globally, and what this means for economic returns. Brown, Lauder and Ashton (2011) show in their book *The Global Auction*, how national labour markets, production and wages have been transformed by global processes. A key dynamic at work here is the way in which relatively low-cost locations around the world – India, China, Indonesia, Vietnam and so on – can reduce the market price of technological know-how. They point to the availability of a well-educated (often in the West) workforce available for outsourced and local operations who are willing to work for lower wages, relative to the centre, but which are higher relative to the wages of the other locals.

What has made this possible have been innovations – like digital technologies – which enable routine professional work (such as health, legal, educational) to be off-shored, completed, and returned around the clock for a fraction of the price. Brown et al refer to this process as ‘digital Taylorism’:

This involves translating the knowledge work of managers, professionals, and technicians into working knowledge by capturing, codifying and digitizing their work in software packages, templates and prescripts that can be transferred and manipulated by others, regardless of location. ...Unlike mechanical Taylorism, which required the concentration of labor in factories, digital Taylorism enables work activities to be dispersed and recombined from anywhere in the world in less than the time it takes to read a sentence (Brown et al, 2011: 72).

These global production work processes are, in turn, creating a middle class in countries like India and China. And whilst these employees; “...with a college education working in managerial and professional jobs for international companies may have to work long hours and constantly feel the pressure of tough financial targets, they are among the winners in a global auction” (Brown et al., 2011: 129).

One effect of digital Taylorism on education is that it challenges a key ideological underpinning of the ‘national’ social contract. Because national economies now exert less influence on the provision of jobs, they can no longer claim to provide a meritocracy with its promise of a secure job and decent wages in return for self-discipline, hard work and learning. That link is broken, and with it a key mechanism of social control, and legitimation for a system of social stratification suited to capitalist economies. The globalising of the capital-labour relation thus has huge implications for national education systems, including how best to ensure ongoing commitment to ‘doing well’, when the returns are visibly meagre for some, and a veritable cornucopia for tiny group of highly privileged others. The shared sense of worlds that secure a commitment to a wider social project,

and with it forms of social cohesion for the state, have been ruptured. The fracture lines and frayed hopes have fed into a powershift that has thrown up an insurgent populism, and a paradoxical hardening nationalism.

#### **Powershift 4: Insurgent Populism/Resentment**

In the early hours of the 24<sup>th</sup> June, the direction of travel of the UK Referendum was visible. By 4.00 am, the decision was there for all to see. The UK had voted 'LEAVE'. After months of turbo-charged boosterism by both Eurosceptics and Europhiles about the economic and political benefits to be had from leaving or staying, the distinct feeling was that if not sanity, then the tendency toward the status quo would hold the day.

But when a decision that big has the capacity to change the course of a nation, not only has the earth's axis moved, but so, also, has the very fabric of the lives, fortunes and futures of whole groups. The incumbent Prime Minister, David Cameron, resigned immediately. Nursing an ambition to be of the UK Prime Minister from her teenage years, Theresa May stepped into the breach, donning the crown and pronouncing in her new role, Brexit Means Brexit.

However, it took the election of Donald Trump in November 2016 to the US Presidency for the full weight of this fourth power shift to take hold. In aligning himself with 'the ordinary people' Trump drove a divisive and populist political campaign that vilified the cosmopolitan elite living in the cities and universities (Fraser, 2017) who had benefited from globalisation. Whether described by Cohen (2019) as the rise of authoritarian populism, or Fraser (2017) as regressive neoliberalism, both agree that what is needed is a cultural, political and economic analysis if we are to understand the rise and appeal of populist politics.

Across Europe, the UK and the USA, voter profiles tell us that in many ways this was a vote made by those who had been left behind in the globalisation and education races, whose futures now looked even bleaker following the 2008 crisis, and a decade of austerity policies (Bovens and Wille, 2017; Dorling and Tomlinson, 2019). As argued in Powershift 3, falling wages, fewer opportunities for decent, properly-paid work, and the collapse of the promise of social mobility has changed social and life-worlds (Streeck, 2014, 2017; Fraser, 2017). Multiple deficits – democratic, welfare and social status (Cohen, 2019) have created precisely the new economy of worth and value – of us and them – that could and should have been predicted from decades of neoliberal policies and its politics.

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Social identities, emotional resentment, economic insecurity and a sense of political irrelevance and status anxiety mobilise misleading stereotypes and use a politics of denigration (Cohen, 2019). A new politics of resentment is now visible, and palpable. It is visible in that has emboldened those peddling hate. It is palpable in the uncontrollable social media. Ethno-nationalisms, racism and xenophobia are mobilised and amplified in a context where insecurity and surveillance are the stuff of everyday life, including the academy.

Whilst the challenges facing the world of higher education are all too clear, there is sense of helplessness, and an eerie sense of waiting for the final implosion. For universities in the UK, the basic economic facts of the matter are all too stark. Some 13 percent of undergraduate students, 38 percent of post-graduates, and 28 percent of academic staff come from outside the UK. And whilst clearly not all these students and academics are from Europe, many are.

The UK university sector is a major beneficiary of research funds – around GBP £0.8 billion per year go into the sector. With the UK set full sail ahead with its compass set in the direction of becoming a competitive knowledge-based economy, much of its necessary ballast – funds, brains, confidence in the future – is in jeopardy. The university sector has not just depended on these continental labour markets, but European students have buoyed the universities dwindling coffers with much needed finances, whilst its towns and cities have benefited from the revenues that are spent in simply getting on with normal life; rents, services, food. Under Brexit fees would be set for European students to that of international students, whilst job applicants to UK universities would have to apply for work visas. These economic and technical challenges are accompanied by a deep sense of unease amongst academics and students regarding their status as migrants and the new politics of resentment. What had been an expanding Europe was now set to reverse gear, with Europe itself facing a new wave of nationalisms and a ratcheting up of the politics of fear, exclusion, re-bordering and resentment (Yuval-Davis, 2018). It is clear that the expansion of European regionalism and the role of higher education in this is now confronting new challenges (Robertson et al, 2016). This power shift had been seismic, and the winds of change continue to blow, its vortex twisting here and there, as the impossibility of the task and the uncertainty of the future is confronted on a daily basis.

## What is to be done?

I began this paper with reference to the work of Toffler (1991), and his argument that the end of the cold war would bring about a shift in power in the world order. Trajectories of development and the arc of time are not linear. Nor do developments unfold in an inevitable way, though clearly there are path dependencies which shape unfolding developments in structuring ways as well as sets of contradictions that set the seeds for ongoing change.

I make this point to remind us of the role that those in higher education should be playing right now in stimulating debates, challenging practices, proposing new alternatives, and developing and embedding new ways practices. We need to challenge the excess of individualism and competition, the enclosure of knowledge, surveillance practices, fear of the other, and limited academic freedom which now defines the contemporary academy. Our desire for recognition and respect, when crushed by the weight of winning at any cost, fuels and fans blame and resentment.

But we need more than words. If we are to overcome these societal, ethnic and educational cleavages, then higher education needs to be rethought in not just wider social, cultural and political terms, but ways that include active engagement with a range of social movements that increasingly are being engaged with by a new generation of young people who are rightly making demands. What could a 5<sup>th</sup> and 6<sup>th</sup> powershift look like that does not repeat the past thirty years? What might it take in our own institutions in higher education - to walk away from regressive neoliberalism? One thing is clear. Our analysis also needs to account not just for the dynamics of capital and the state, and the ways in which life-worlds and worldviews are shaped and lived, but a thinking through of what might be done in ways that value equality and fraternity and not simply liberty. What political decisions and actions do we want which create the conditions for producing critical, open-minded individuals, who value rather than vilify those whose fortunes and futures are at the end of the day not much different to their own. If there is any vilifying, the target could be the unchecked nature of unfettered capitalism and forms of new imperialism, and those it has benefitted.

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