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The Commodification of Tertiary Education within a Knowledge Economy

Abstract

This paper investigates the relationships between globalization, the knowledge economy and “rent-seeking” culpability in tertiary education. It discusses current issues and debates about the knowledge economy, asserting that knowledge has now emerged as a new factor of production in global capitalism.

The debate about the effectiveness of universities is re-positioned by refocusing critical debate on the first of many issues involved - education as an economic commodity. The other issues which need closer scrutiny are the emergence of mass universities; commercial subservience to industry; changes in organizational governance; knowledge creation processes; the institutional impact of new technology; life-time learning; and post-graduate management training.

Keywords

Globalization; Knowledge; Knowledge Capitalism; Knowledge Economy; Knowledge Management; Management education; Neo-liberal Economics; Neo-liberal Ideology; Privatization; Rent-Seeking Behaviour; Tertiary Education.

Cover Page Footnote

Wayne Dreyer joined the academic world after a varied career in which he trained as a teacher, joined the NZ Army and, after 20 years service, retired as the Director of Army Education. He then became a management trainer, a management consultant, and was a commercial flower producer. Wayne is an experienced business educator, has co-authored a HRM text and has contributed to texts on HRM. His PhD is in Education and research interests include the philosophy of education; business education; public policy analysis; and knowledge management issues. Alexander Kouzmin has published eight books; contributed 65 chapters to national and international edited monographs; presented research papers and keynote addresses at more than 210 international conferences and has published, to date, some 200 refereed papers and review articles. He is the founding co-editor of the Journal of Contingencies and Crisis Management, published quarterly since 1993

Harvard business degrees are now 'scarlet letters of shame' [...]. Time after time and scandal after scandal, it seems that a school that graduates just 900 students a year finds itself in the thick of it (Staley, 2009). [...] Harvard alumni include former CEOs of the failing Merrill Lynch, the ousted CEO of General Motors and the former Chairman of the US Securities and Exchange Commission (Staley, 2009).

Introduction

For the last 24 months, the world has watched 'the financial meltdown reach[ing] historic proportions' (Giroux and Giroux, 2009: 1). While global, political leadership has committed to a regime of change, repudiating un-fettered, free-market capitalism, some underpinning issues remain. The roots of the current financial crisis can be seen in wave after wave of Neo-liberal ideology which captured convergent government policy since the days of Thatcher and Reagan in the 1980s. This Neo-liberal, ideological stance 'fostered a grim alignment among the state, corporate capital, and transnational corporations' (Giroux and Giroux, 2009: 2) in a manner that has not previously been seen before.

Central to these issues, and indeed living in a somewhat symbiotic relationship, is the role of management education and business schools in general. Neo-liberalism is, and remains, an all pervasive ideology which has captured public policy across the political spectrum (Kouzmin, 2009). It is an ideology that swept all before it in its drive to 'normalize' society (Foucault, 1977) by the use of a powerful armoury of pedagogy, and forms of governance, which aligned technologies of the self, forms of knowledge and strategies of power. It was this ideology that bred the supremacy of the market, led to moral pervasion, spawned rapacious greed and corruption (Giroux & Giroux, 2009: 2) and legitimated the recklessness now associated with the so-called 'sub-prime' mortgage crisis masquerading as yet another version of 'junk' debt (Verrender, 2008). Yet this is not all new, for a number of management academics have been critiquing management education within Neo-liberalism for some years (Parker, 2002; Thomas, 2004; Willmott, 2004; Jeffcutt, 2004; Pfeffer, 2005; Kouzmin, 2009; Kouzmin et al, 2009).

According to Ralston Saul (2005: 67-87), emerging economic/political/ideological fantasies involved the emergence of a 'Crucifixion Economics': Ralston Saul (2005: 196) puts it succinctly:

Globalization, as an ideology, declared itself as a market force for capitalism and risk. It was spoken for by tenured professors of Economics, and Management, whilst being led by technocrats – private sector bureaucrats, working in joint-stock companies rarely owned by active shareholders – working to reduce competition.

'Milton Friedman's free market assumptions were transposed into a global movement/economics as a tool to weaken government, discourage taxes, force de-regulation and entrench private monopolies' (Ralston Saul, 2005:33) – privatize,

privatize, and suppress democratic accountabilities (Klein, 2007) emerged as the normative framework for 'southern-gradient economies' whilst being implemented in 'northern-gradient economies' via Anglo-American public management (Kouzmin, 2002; Kouzmin, 2009: 24). 'The authoritarianism and mis-begotten economic policies of many countries can be blamed on the Harvard Business School' (Walsh, 1994: 53) - revealing a need for management capabilities sensitive to 'formative context' (Unger, 1987) and other unique developmental requirements, totally ignored by the Harvard-inspired, criminal privatization scheme overseen by President Yeltsin and others (Kouzmin and Korac-Kakabadse, 1997; Klein, 2007).

The three issues that this paper discusses are globalization, knowledge and 'rent-seeking' in management education. It is the authors' belief that until some of the underpinning drivers and conceptualizations of globalization are understood, management schools will continue to treat this whole issue of globalization in a facile manner. Secondly, associated with globalization is the attendant hype of the 'Knowledge Economy' and its derivatives such as 'Knowledge Management', 'Knowledge Waves' and 'Knowledge Workers' (Kakabadse, Kakabadse and Kouzmin, 2003). Thirdly, the paper addresses problematic changes within universities, and management schools, within these knowledge contexts.

Lyotard (1984), in his *The Post-modern Condition: A Report on Knowledge*, hypothesized that 'the status of knowledge is altered as societies enter what is known as the post-industrial age and cultures enter what is known as the post-modern age' (Lyotard, 1984: 3). His report concerned an issue as vital today as it was some 25 years ago - the status of science and technology and the control of knowledge and information. He investigated the status of knowledge in computerized, post-industrial societies and he called this a post-modern condition. He argued that the problems confronting the leading sciences and technologies had to deal with were issues such as theories of linguistics; problems of communication and cybernetics; theories of algebra and informatics; computers and their languages; the search for areas of compatibility among computer languages; problems of information storage and data banks; telematics; and the production of intelligent terminals (Lyotard, 1984: 3). These issues remain pertinent today.

The basis of Lyotard's argument was that, in the new forms of production emerging, knowledge becomes a commodity and ceases to be a substantive end in itself. This paper argues that some of Lyotard's concerns can be seen in the contemporary discourse of tertiary education, where phrases such as 'Knowledge Workers', 'Knowledge Economy' and 'Knowledge Management' feature, especially, in the meta-discourse of management education.

This paper addresses three propositions:

Proposition 1: Globalization situates the new arena for the struggle over the meaning and value of knowledge.

Proposition 2: Knowledge Capitalism is gaining ascendancy.

Proposition 3: The impact of these issues has changed tertiary education and has made management academics and management graduates, in particular, blatant 'rent seekers'.

Proposition 1: Globalization and the Knowledge Economy

Is globalization any thing new (Held, McGrew, Goldblatt and Perraton, 1999)? Banks (2001: 1) cites Marx and notes that that during his life time society was faced with a similar issue. As Marx observed, 'in place of the old, national self-seclusion and self-sufficiency, we have changes in every direction, leading to the universal interdependence of nations.' Today, the difference in globalization is the speed of change and the economic forces that one can say are driving the expansion of the global economy. Another, unheralded aspect is the ideological assault on the legitimacy and functioning of the sovereign state (Kouzmin and Dixon, 2003). Other views of globalization range from the sceptical – 'it is a myth' - to the radical – 'it is about corporate imperialism' (Thorne and Kouzmin, 2004), as seen in protests at World Trade Organisation meetings.

Those in the myth camp, notably economists Hirst and Thompson (1999: 1), argue that globalization is an ideologized image – 'so powerful that it had mesmerized analysts and captured political imaginations.' Their hypothesis is that there is no true model of a global economy and that there is little agreement as to how it differs from previous eras of international political economy and commentators, who treat current changes as unique, lack any historical depth. They argue that the supra-national bodies, such as The World Bank and the International Monetary Fund, have pushed a doctrine which codifies financial and legal institutions around dominant Anglo-American economic practices and needs.

Indeed, one can argue, as do Hardt and Negri (2000: xi), that one of the drivers of globalization has been prevailing and ideologized expressions of the 'Washington Consensus underpinning corporate imperialism'. They further conceptualize this as an 'Empire' or 'the sovereign power that governs the world.'. They argue that their conceptualization of Empire is not a metaphor but, rather, 'a concept which calls for a primarily theoretical approach.' In doing this, they conceive Empire as 'a regime that effectively encompasses the spatial totality, or reality, that rules over the entire, civilized world' (Hardt and Negri, 2000: xiv). Finally they argue that Empire, in a Foucauldian sense, presents a 'paradigmatic form of bio-power' (Hardt and Negri, 2000: xv).

A similar perspective is given by Heath (2002: 37) who argues that globalization is seen by some as:

representing a radical discontinuity with the past forms of social, economic and cultural relationships and, by others, as an incremental step in the long history of imperial domination - this time by mostly US-based, global corporations rather than formally - bellicose states.

Globalization constitutes the new arena for the struggle over the meaning and economic value of knowledge. The search for new property rights and new sources of

'economic rent' has become paramount. Are intellectual property, new patents and knowledge management dimensions of globalizing markets a new reality? For example, how much basic science should/could be patented and considered proprietary, commercial knowledge. How much science should/could be left in the public domain (Kuttner, 2004)? Are knowledge managers the ultimate vanguard of 21st Century corporate imperialism (Thorne and Kouzmin, 2004)? Must public policy resist calls for government subsidies to support the 'economic rent', or excessive profit, expectations of knowledge managers (Kouzmin, Sankaran, Hase and Korac-Kakabadse, 2004)?

Throughout European history, the Catholic Church was the retainer of established dogma/knowledge. The growth of universities, over 700 years, also led to the establishment of what one could call today 'knowledge factories' or 'knowledge banks'. These institutions led to a form of 'expert power' and 'monopolistic privileges' as only certain classes had access to the written word and prevailing, institutionalized dogma - thus creating an early form of what Bourdieu (1977) called 'cultural reproduction'. Has information and communication technology (ICT) democratized or changed the way society creates and consumes knowledge? Stiglitz (1999: 1), the former chief economist of the World Bank, who recently recanted on economic orthodoxy, propagandized for a Neo-liberal construction of a globalizing hegemony, arguing that 'Knowledge and information, today, is being produced like cars and steel were produced a hundred years ago.'

Drummond (2003: 58) also argues that the term 'knowledge economy' is not just another term for post-industrialism but is a term which reflects 'the growing technological infrastructure of knowledge and an increasing shift in the treatment of knowledge itself.' It is these issues, as well as what is seen by many to be the increasing commercialization of tertiary education, together with what Drummond calls an 'expansion of technologies of transparency and accountability imposed on education by the Qualitariat' (Drummond, 2003: 59) - the continued growth of quality assurance regimes in education - that increasingly intimidate the academy. These regimes, it is argued, are part of Neo-liberal, ideological discourse and attendant business models being imposed across the education system, as a whole, with the economies of scale associated with increased student numbers destined for fracturing economies and undergraduate education, in particular, being turned into 'production lines, facilities or factories'.

Knowledge, as conceptualized under Neo-liberal ideology, has moved from being a public good to the current conception of knowledge as a private good - an aspect of the over-economization of human capital. This is what Marshall (1994) refers to as 'Busnocratic Rationality', where business models have been imposed on education and business measures and terms such as accountability; corporatization; performance management; profitability; and return on investment (ROI) have insidiously penetrated the discourse of tertiary and, especially management, education. Peters (2002: 4) asserts the pressures of globalization constitute a 'new kind of struggle over the meaning and value of knowledge'. More recently, the term 'Knowledge Economy' has permeated both government policy and management education.

Drummond (2003: 58-59) has identified four characteristics of a knowledge economy. First, he argues that knowledge, in economic terms, differs from other resources for, as Stieglitz (1999) argues, a knowledge economy is one that moves from an economy of scarcity to an economy of abundance. A useful way of conceptualizing this is that knowledge is unlike other finite resources – rather, it grows and cross-fertilises, expanding rather than diminishing. Secondly, Drummond (2003) argues that in a knowledge economy, knowledge, because of both its increasing volume and technological sophistication, assumes an economic value. This point was made earlier by Lyotard (1984: 4) who argued that 'Knowledge is and will be produced in order to be sold, it is and will be consumed in order to be valorised in a new production: in both cases the goal is exchange'. Therefore, new entrants into the arena of human capital must invest in knowledge or the workforce must be trained and re-trained in new configurations of knowledge. In tertiary education, knowledge, then, becomes something that is enriched, transmitted, handed over, sent out or down-loaded to students at a cost.

Thirdly, the relationship between knowledge and knower has changed. In an educational setting, one moves from a system grounded in people (scholars and students) to a system dominated by regulated transparency of competencies and outcomes. While educational institutions, certainly university faculties, may state they are student centred, they have become dominated by transparency and quality of products in the market place. This trend, coupled with the 'busnocratic – rationality' mode of governance, has led to knowledge being rendered a commercial product in the business of education.

Fourthly, the technologies that generate, store or transmit knowledge are becoming increasingly invisible to the 'naked' or public eye. This means that knowledge is assuming the status of information as it becomes bytes or hyperlinks. There is a growing tendency for knowledge to be electronically transmitted to the recipient through various electronic media and programmes as a result of the economic rationalization of education.

The way knowledge is generated has not radically changed. What has changed is the way in which knowledge is consumed in society. Hayek (1937:1) delivered a Presidential Address entitled, 'Economics and Knowledge' to the London Economic Club. In this address, he argued that:

the only empirical element in economic theory - the only part which is concerned not merely with the implications but with the causes and effects and which leads, therefore, to conclusions which, at any rate, in principle, are capable of verification - consists of propositions about the acquisition of knowledge.

Hayek (1937) is acknowledged to be the single most influential, individual economist and political philosopher to shape what is now known as Neo-liberalism. His early work emphasized that the key to economic growth was 'knowledge' and it was this stance and, indeed, some may say insight, which led him to challenge the grounds for socialism and state planning. He further argued, in 1945, in *The Use of Knowledge in Society*, that, among other economic issues, a problem exists with the utilization of knowledge in society 'which is not given to anyone in its totality' (Hayek, 1945: 1).

Peters and Hume (2003: 4) argue that Hayek's work emphasized the 'importance of knowledge of particular circumstances of time and place, which constitutes the unique information which every individual possesses' and that Hayek championed 'practical and contextual knowledge [...] against the scientific or theoretical knowledge as an understanding of general rules in economic activity'.

Thus, knowledge can be construed as an integral component of current trends in globalization. Supranational organizations, such as the World Bank, have championed the Knowledge Economy. Indeed, the World Bank has positioned itself as a Knowledge Bank (Wolfenshon, 1996; The World Bank, 1999a; 1999b; 2002) and continues to promulgate its policies as the best way of doing things. This Neo-liberal discourse has permeated government policies so that knowledge is now seen as a key determinant of a nation's wealth and a comparative and competitive advantage.

So what is the impact on education? Burbules and Torres (2000: 19-23) argue that education is affected in three domains. These are economic, political and cultural. In economic terms, they argue that the broader, economic effects of globalization tend to force national education policies into a Neo-liberal framework characterized by commodification of education. Changing economic conceptions are characterized by the growth of 'human capital theory' responses in public policy, the imposition of managerial practices on education (performance management practices, increased accountability measures and other business-model techniques such as the growing quality management myopia). In political terms, they argue that national education policy is constrained by external demands by 'trans-national institutions'. Sponsored educational activities are an example of this. Finally, in cultural terms, there are issues relating to cultural homogeneity and the whole issue of the 'McDonaldization' of society.

Proposition 2: Knowledge Capitalism Gaining Ascendancy

In 2002, The World Bank published a report called *Constructing Knowledge Societies: New Challenges for Tertiary Education*. In this report, the Bank argued that 'knowledge accumulation and application have become major factors in economic development and are, increasingly, at the core of a country's competitive advantage in the global economy' (The World Bank, 2002: xvii).

This report focused on how tertiary education contributes to capacity building in a country so that it can contribute to 'an increasingly knowledge-based world economy' and outlined policy options for tertiary education. It emphasizes the following trends (The World Bank, 2002: xix):

- The emerging role of knowledge as a major driver of economic development.
- The appearance of new providers of tertiary education in a 'borderless- education environment'.

- The transformation of modes of delivery and organizational patterns in tertiary education as a result of the information and communications revolution.
- The rise of market forces in tertiary education and the emergence of a global market for advanced human capital.
- The recognition of the need for a balanced and comprehensive view of education as a holistic system which includes not only the human capital contribution of tertiary education but also its critical humanistic and social capital building dimensions and its role as an important global, human, public good.

The most important issue, once World Bank dogma is overcome, is the statement that education is an 'important global, human, public good'. This is a dramatic reversal of the last thirty years of Neo-liberal rhetoric which emphasises that education is a 'private good'.

However, as Peters and Hume (2003) assert, it is now fashionable to claim that economic progress depends on the utilization of knowledge. Yet, knowledge has always been important as economic progress and innovation always depend on new ideas. What has changed is the discourse of knowledge. Peters (2002: 4) argues that 'Knowledge Capitalism is the latest phase of globalization' and, that 'globalization might be considered as a new kind of struggle over the meaning and value of knowledge'.

To further develop this argument, one needs to briefly review the 'officially- received view' on the knowledge economy, as postulated by supra-national organizations. Institutions such as The World Bank, OECD and the WTO support the trend to a global, knowledge economy. Indeed, many governments are strong proponents of the knowledge economy. First, there is the view that the political project of 'world economic integration', pushed by Western economic and political interests, will benefit the whole world and that knowledge, both as input and output, is a vital component of globalization. The other view is that knowledge use and the ability to innovate have become national determinants of wealth and the basis for comparative advantage - hence, as opposed to today's realities, past propaganda about Ireland and Finland and their emergent knowledge economies. This being the case, national policies for encouraging knowledge generation, acquisition and diffusion has become a pressing priority for governments. If one looks at the narratives in these policies, it can be seen to be framed so as to encourage meta-cognitive skills such as problem analysis and solving. The skills demanded are those that are broad and highly transferable, with an emphasis on life-long learning.

For supra-national policy agencies, such as The World Bank, the shift to the knowledge economy involves a fundamental re-thinking of the traditional relationships between education, learning and work. This fundamental re-thinking can be seen in the discourse that re-configures education as 'a massively undervalued form of knowledge capital determining the future of work, the organization of knowledge institutions and the shape of society in years to come' (Peters and Hume, 2003: 5). The World Bank's (2002), *Constructing Knowledge Societies* is a

prime example of this genre of policy discourse. Indeed, Stiglitz (1999: 1) adds to the argument when he argues that:

Knowledge is different from other goods: it has many of the central properties of a public good - indeed of a global public good. While government has a key role in protecting all property rights, its role in intellectual property rights is far more complicated. The appropriate definition of these rights is not even obvious. In the knowledge economy, the dangers of monopolization are perhaps even greater than in industrial economies.

This being the case, there are many implications for both public policy and for the mode of organization of a knowledge economy. One of the key points of Peter's (2002: 11) argument is Stiglitz's (1999) contention that knowledge is a public good because it is non competitive - that is, knowledge once discovered and made public, operates expansively to defy the normal law of scarcity that dominates most commodity markets. In its most pure form (ideas, concepts, information, hypotheses), knowledge really is non competitive as there are no additional marginal costs associated with adding more users to the knowledge. However, on the other hand, there are certain kinds of knowledge that are protected through 'legal' provisions which exclude them from being a 'public good' - such as the use/abuse of intellectual property and patent rights (Kouzmin, Sankaran, Hase and Korac-Kakabadse, 2004).

Stiglitz (2002), in *Globalization and Its Discontents*, argues the centrality of knowledge to the economy and the important role of education. He argues that the universities, as traditional knowledge institutions, have to become the leading future service industry. He also contends that, in economic terms, knowledge differs from other commodities and thus knowledge markets differ from other markets. This point has not been grasped by many academic institutions who display 'rent seeking' behaviour in the guise of export education.

So what is the role of the tertiary sector? One of the issues is the narrow perspective that governments take on the role of tertiary education within their culture and economy, illustrated by the proliferation of knowledge managers in academic institutions and the trend to turn academics into process workers within a knowledge environment. Peters (2002) argues that the role of a university includes that of nation building, regional development in its broadest sense, and the protection of societal rights. In a knowledge economy these change and the question remains - will universities be able to provide enlightenment in a national, even, global sense - or will they assume the role of a managerialist purveyor of a commodity called 'Knowledge'?

One of the issues being confronted is that the tertiary education system is often state supported. Will the state continue this role or will one see increasing privatization of the tertiary education system? In an age of Knowledge Capitalism, one can expect to see the state gradually ease out of the provision of public education as it begins to privatize the means of knowledge production and facilitate strategic and operational links between business and the academy.

At the World Conference on Comparative Education, in Beijing, in October 2002, Jean Marie Van Latham (2000:2), a Cabinet Secretary to the Belgian government,

argued that 'in the GATT context, the main aim of the WTO is to promote privatization, liberalization and commercialization of services'. While economists have argued that there are grounds for re-appraising the role of the state in the provision of education, as a public good, most governments and policy advisors continue the policies that blur the lines between a public and private good. What is of more concern is that the supra-national bodies are now styling themselves as 'Knowledge Banks' and this cannot help but further blur the distinctions between public and private goods as governments seem to be sycophantic with respect to World Bank and the OECD policy advice.

Proposition 3: Tertiary Education and 'Rent Seeking': Education as an Economic Commodity

Cutting and Kouzmin (2003) make much of the shift in the early part of the Twentieth Century from an entrepreneurial capitalist society to a managerialist perspective which, in essence, represents an evolutionary shift from a consumer market mindset to managerial-production processes (Berle and Means, 1933/1991; Schumpeter, 1950; Galbraith, 1967). The more recent shift in thinking to the so-called 'Knowledge Society' has been termed Post-Industrial, Post-Modern or the new Information Age. In fact, it can be understood as a shift from the managerialist mindset to the more abstract, political mindset where there is recognition of the validity of different personal and group perspectives as opposed to universal objective truths (Cutting and Kouzmin, 2001).

As Cutting and Kouzmin (2003: 47) argue, in the new, so-called, 'Knowledge Society', it is now of primary importance, in the selection of budding corporate executives, as to who the person is and how their personal commitment profile fits. Of secondary importance is what the person is able to do. What they know in terms of scientific or management facts and their ability to pursue knowledge of the truth is now of lesser importance as long as the individual knows how to access, or buy, it. What does calling this the new post-modern world the 'Knowledge Society' or 'Information Society' mean when the importance of the pursuit of knowledge is actually downplayed in favour of what fits the situation?

What can be made of the moves to (Cutting and Kouzmin, 2003: 47):

- generate income by making education a commodity for purchase in the economic market place;
- democratize education by developing mass universities available to many in the community who might qualify to attend;
- generate income by developing commercial relationships with private industry;
- amalgamate and re-organize universities into efficient economic corporations;
- re-direct the research effort from pure science to technological innovation;
- re-organize teaching methods to take advantage of the latest ICT developments;
- provide access to life-time learning and market such opportunities to the workforce;
- tailor the learning experience to reinforce participation in the workforce; and
- meet the challenge of developing a knowledge community.

First, it would be inappropriate and counter productive to require higher education institutions to operate in the economic sphere like a private corporation. As Cutting and Kouzmin (2003 : 47-48) argue, not only would educational institutions have organizational difficulty in making appropriate adjustments but, more importantly, their contribution to the maintenance of a sound social fabric by educating individuals as citizens first and as part of the workforce second would be compromised.

Secondly, universities need financial resources to exist and so there has always been provision for charging fees. However, such fees are not primarily to make a profit but rather to fund the cost of the individual's membership and activity in the academic community, in much the same way as other institutions in the social sphere require membership fees (or donations). In some ways also, Cutting and Kouzmin (2003: 47-48) argue that the fees serve to sustain the existing social, hierarchical stratification because even from the early days, fees are set high, ostensibly to support the relatively high academic to student ratio, so that only elite families could afford the fees to send their children to universities. To require dependence on fees for their income and to stimulate an economic market for the provision of education is to drive societal thinking towards regarding tertiary education as an economic commodity. Education is, in some respects, akin to the provision of a service but the purchase of a learning experience is, in essence, different to the purchase of personal cleaning or valet services or an amusement experience. To the extent that the learning experience moulds and develops the individual's thinking at the organizational and societal levels, it is not private but, rather, there is a direct concern to the broader society.

Thirdly, the phenomenon of private corporations sponsoring their own universities is the logical end point of this movement of tertiary education from the social sphere to the economic sphere (Cutting and Kouzmin, 2003: 48). It should be clear in these cases how the social sphere function of citizen formation has been usurped by the economic imperative which naturally gives the 'McDonald's way of life and thinking' pre-eminence over the development of a national community culture. To subject the educational spirit and ethos to the economic imperative is a cognitive distortion and undermines any concept of knowledge society or a learning nation. Learning then becomes more akin to indoctrination on how to act efficiently and effectively in accordance with the prescribed set of beliefs. Creativity and innovation become very utilitarian. The effects of such a constricted learning experience would be akin to the restrictive experience of medieval learning when the church exercised control of all knowledge and learning (Cutting and Kouzmin, 2003: 48).

Further, as Cutting and Kouzmin (2003: 50) argue, it is also deleterious to run academic courses after the spirit of the economic market as has seemingly been done with the prolific expansion, and charging for, Masters degrees in Business Administration, Public Management. Many universities run these courses as a cash-generating business by charging what the market will bear and running the business as attractively and profitably as possible. The academic result is an overdue concentration on the explicit knowledge formulation, with a saturated program of management theories, techniques and facts with little serious focus on the development of the individual's rational thinking processes and values frameworks.

Courses are so packed with information transfer and re-assembly that little time is left for the serious reflection and dialogue about issues of importance which might develop the individual's personal judgment/commitment capability – which, arguably, is the principal need of aspiring corporate leaders in today's 'political', organizational governance regime (Cutting and Kouzmin, 2003: 50). As a result, the demand for MBAs is suffering or will suffer the same fate as any other mass-produced, similar-looking commodity which fails to satisfy the real need of the market place.

The trend to regard both tertiary education and new ideas as commodities is resulting in technological innovation being valued over pure knowledge with the consequence that the notion of intellectual property is displacing the spirit of free, academic dialogue (Cutting and Kouzmin, 2003: 52-53; Kouzmin, Sankaran, Hase and Kakabadse, 2004). It is difficult to see how cash-strapped universities will continue to support their academics financially while they produce scholarly papers and intellectual property that is then made freely available to others who work in institutions that are competing with each other to attract students and industry's research dollars. The notion of a return on this intellectual capital is growing and is predominant where the pursuit of useful technological knowledge has pre-eminence over the pursuit of the knowledge for its own sake.

There is pressure to conduct the academic dialogue via the freely available Internet rather than the refereed academic journals (Cutting and Kouzmin, 2003: 53). At first blush, this trend towards a seemingly free inter-change of ideas on the Internet might seem to run counter to the trend of protecting and capitalizing on the individual academic's intellectual property. However, on further reflection, the trend can be seen to be mutually supporting, as through the use of the Internet rather than expropriating academic journals, the individual academic retains control and commercial power over the presentation and dissemination of their new knowledge.

Academics are becoming more commercially discerning about how they handle new knowledge and more effort will go into creativity and attractiveness of marketing rather than the need to establish the refereed *bona fides* of new knowledge. Scientific rigour is no longer the criterion of accepting new knowledge but, rather, it is whether it fits the particular reality and is useful economically, in the main. The scholarly discipline of the academic network is likely to shift attention from nurturing the advancement of the body of knowledge to having more of a focus on collaborating to capitalize on the marketability of shared intellectual property (Cutting and Kouzmin, 2003: 53; Kouzmin, Sankaran, Hase and Kakabadse, 2004) - the economic imperative is supplanting the social and intellectual endeavour.

Conclusion

The need for many to be better educated should not be at the expense of diminishing the capacity of the tertiary education sector to grow society's leaders of the future. At this time, more than ever, there needs to be a consciously-accepted hierarchy within the tertiary education sector – not the mass flattening out that Australasia has experienced in the recent past. Universities have in the past, and more than ever today, been called upon to contribute to society by not only nurturing and propagating knowledge, but also by growing and moulding the leaders of tomorrow

– and then assisting them in the life-time need for continual self - and group-development (Cutting and Kouzmin, 2003: 58-59). In short, there is a need for the tertiary education sector to focus on the qualitative, not just on the quantitative, needs of supplying a competently-trained workforce for the new, more advanced, technological society. What is required to reproduce effective, intellectual leaders in a knowledge society (Cutting and Kouzmin, 2003: 59)?

Johnson and Kouzmin (1998) argue that a government's decision to corporatize, or privatize, public provision of services appears to be based on a complex mix of community need and expectation - tempered by the demands of particular interest groups (normally powerful, capitalist interests) for 'rent seeking' opportunities and the ideological drive to impose putative efficiencies and balanced budgets on public agencies. If one follows this line of logic, then privatization can be seen as an example of 'rent seeking' behaviour (public monies being used to support profit-making capitalist ventures) by certain interest groups (Dixon, Dogan and Kouzmin, 2004). In education, it can be argued that the drive for the commodification of knowledge has enhanced opportunities for management schools to partake in behaviours that have all the characteristics of 'rent seeking'. Is it true that Harvard Business School Management agendas mixed together with Chicago School of Economics, and Friedman fraud mutate the MBA graduate into a Neo-liberal apparatchik/consultant?

Jacob (2003:134) argues that tertiary institutions accrue new rents through three main routes. The first of these is exploitation of 'existing markets and making university education an obligatory point of passage for occupations previously outside of the purview of the university'. Examples of this are teaching, nursing and the growth of business under-graduate degrees in New Zealand Polytechnics. The second way of accruing rent is to create entirely new forms of education to meet, or anticipate, workplace demands. Jacob (2003) cites examples such as website design or bio-engineering. In New Zealand, for example, there has been a growth of publicly-funded community education courses such as free business computing courses. A third source of 'rent seeking activities' is increasing access to existing curricula through the use of new technologies - the main example of this being web-based education. By the use of web-based education, a wider market can be tapped and the potential exists for decreasing teaching-staff numbers. All of these means of increasing rents are, at the same time, controversial and meet with resistance from the academy.

Academics who teach on degrees are supposed to be actively involved in research. Yet, as many have pointed out, much of the research is not applicable to the immediate needs of business and industry. So why is such research being done? Is this part of the impact of the commodification of knowledge? Management academics continue to be involved in aspects of research to meet the demands of the 'Qualitariat' and other public funding agencies so that they have measurable outputs. One other aspect of research is the issue of intellectual property and the commercialization of research outputs (Kouzmin, Sankaran, Hase and Kakabadse, 2004). The question needs to be asked as to whose interests are being served - those of the institution, the academic or business? Is university research being increasingly perverted, in funding terms and constraints, so as to provide a form of business

welfare through publicly-funded and subsidized provision for research and development?

So, one is caught in a web. If management schools do not grow, they face financial difficulty. Therefore, management schools continue to devise and design new programmes and research initiatives in order to gain funding from both public and private sources. This is 'rent seeking' behaviour. Are business/management academic activities masking the true nature of academic behaviour in terms of academic rigour and knowledge and reputation, masking the reality of needing to derive profit and other rents for their employing institution but to the detriment of the academy? As long as these financial demands are applied, management schools, in particular, will continue to evolve techniques which capture the essence of Jacob's (2003) definitions of 'rent seeking' behaviour.

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