

**THE COMMODIFICATION OF HIGHER EDUCATION
IN THE WELFARE STATE OF SWEDEN:
EXPLORING THE POSSIBILITIES**

THESIS

submitted by

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One understands the sense in which they mean it, those that say doing a PhD programme is a lonely task. It often occurs that even students in the same department are undertaking each their research on subjects so diverse that they hardly have something in common. Each buries his head in those books and papers, or glues her face to the computer screen in search of just the stuff that are particular to his/her research. In this situation even students who share the same room seldom have things to talk about. An occasional greeting, perhaps!

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Dedication

I give this thesis to Iteme Alrik Tolofari, my son, in all of whose three and half years I have been on this project. Hopefully, he will also make such a journey – at an earlier stage in his life!

Sowaribi Tolofari

ABSTRACT

For about three decades now the world's economic systems have mainly embraced a neoliberal paradigm. The precept of this paradigm is, more egocentric than the capitalist philosophy of *homo economicus*, that it is not enough to have the market determine all human or institutional relations, but that there should be nothing which is not the market. Neoliberalism would see surrendered to the market to be commodified all the services communally provided for its citizens by the state, such as healthcare and education. Neoliberalism and its many approaches mount formidable pressure on states to fall to its sway. The environment created by neoliberalism is a challenge to states, like Sweden, that still believe in the central provision of essential social services so that the enjoyment of such services would not depend on the economic status of the individual citizen, because in the long run the state would benefit from having it so. This research studied, given this environment, whether the provision of higher education in the welfare state of Sweden could be commodified.

An extensive review of relevant literature was done to define the problem and establish a theoretical frame. From there a questionnaire was designed and administered to Swedish universities. The responses were used to formulate questions for semi-structured interviews with parliamentarians and university vice-chancellors.

The research found, among other things, a transformation from an inward-looking system to one of increasing globalisation; from detailed state planning and control to a broad degree of freedoms to act. There is a lack of desire for universities to be fully independent of the state; a desire for broadened entrepreneurialism, especially in the areas of conversion of research results into products and co-operation with the private sector. There are statutes that hinder some entrepreneurial activities or limit the universities' ability to make money from them; a vehement stand against the commodification of higher education for natives, but qualified openness for some categories of foreign students paying for their education in the country. There is diminished solidarity-thinking and the use of global educational contacts as a means to support the country's export sector.

There is no indication that the possibility exists in the foreseeable future for higher education in Sweden to move from the sphere of public good to private good since an overwhelming majority of those most closely associated with legislation, policy formulation and execution are against the commodification of higher education.

SAMMANDRAG

I omkring tre decennier nu har världens ekonomiska system huvudsakligen gått över till en nyliberal paradig. Regeln med denna paradig är, mer egocentrisk än den kapitaliska filosofin om *homo economicus*, att det inte är tillräckligt att marknaden avgör alla mänskliga eller institutionella relationer utan att det inte skulle finnas annat än marknaden. Nyliberalism eftersträvar att överlämna till marknaden att göra till handelsvara alla de allmännyttiga tjänsterna som staten förser dess medborgare med, som hälsovård och utbildning. Nyliberalism nyttjar sig av sina många tillvägagångssätt att sätta formidabelt tryck på stater att vackla. Den av nyliberalism skapade miljön utgör en utmaning till stater, som Sverige, som fortfarande har förtroende för central anskaffning av väsentliga sociala tjänster så att deras åtnjutande ej ska vara avhängigt av den individuella medborgarens ekonomiska status, då staten i längden ska vinna på att ha det så. Denna forskning studerade huruvida högre utbildning, i en sådan miljö, kunde göras till en handelsvara i välfärdsstaten Sverige.

En utförlig granskning av relevant litteratur gjordes för att definiera problematiken och sätta den teoretiska ramen. Därifrån designades ett frågeformulär som skickades till svenska universitet. Svaren användes sedan för att formulera frågor till delvis strukturerade intervjuer med parlamentariker och universitetsrektorerna.

Forskningen visar, bland annat, en transformation från ett inåtvänt system till ett av växande globalisering; från detaljerad statsplanering och kontroll till omfattande frihet att själv agera; en ovilja att universitet blir fullkomligt oberoende av staten; en önskan efter bredare kommersialisering, särskilt när det gäller omvandlingen av forskningsutfall till produkter och samarbete med den privata sektorn; att det finns förordningar som hindrar vissa kommersiella aktiviteter eller begränsar universitetens möjlighet att tjäna pengar på dem; en stark ovilja att högre utbildning görs till en handelsvara för svenska, men en villkorlig öppenhet för att vissa kategorier av utländska studenter betalar för sina utbildningar i landet; förminskat solidaritetstänkande och användandet av globala utbildningskontakter för främjandet av landets exportsektor.

Det finns ingen indikation att möjligheten existerar inom överskådlig framtid att högre utbildning flyttas från sfären för publik vara till privat vara sedan en överväldigande majoritet av dem som är närmast verksamma med lagstiftning, policyformulering och utförande är emot att högre utbildning görs till en handelsvara.

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Chapter One

INTRODUCTION

BACKGROUND TO THE STUDY

The reason this project was commenced was the desire to change career path. One had a nebulous idea about 'Education Management' and had an exploratory interest in it hoping to utilise a background in Business Administration. It was actually on arrival in Glasgow where one was the only student that took Management of Higher Educational Institutions as a research module under the supervision of Prof Michael Peters that the decision was made to focus on the area of higher education.

Two things prompted interest in the subject of the research itself. One is a wandering mind. The mind wandered over how Sweden was so gracious as to give free education even to foreigners, when in countries like Britain foreign students have to pay three times or more the fees home students pay. Clark (1998: 19) notes, in Britain foreign students are defined as "non-European Union as well as non-UK citizens".

Another factor was a documentary shown on Swedish television, where it was said that Swedish researchers registered more patents than lots of other countries. Yet Sweden was at the bottom of countries that converted research findings into products. It is often mentioned that foreigners buy up Swedish research outputs. Sweden is known for the high quality of its products. Sweden is best associated with the world's most notable prize for excellence – the Nobel. Why is there a mismatch between such impressive research output and production? Is it that Swedish researchers are just interested in doing the research for its own sake and not interested in the money they could make from all these research findings? Is it an organisational problem?

INTRODUCTION TO THE THESIS

At Issue

Universities have become more entrepreneurial since the advent of New Public Management, the public administration reforms that began at the end of the 1970s, as they are required to raise more non-state funds to cover their costs in a period in which their reach is widening and the basic state grant is dwindling. Some of the major characteristics of this reform are managerialism, marketization and performativity (Tolofari, 2005).

In line with the entrepreneurial agenda, the universities' organisation charts have taken shapes to reflect the new expert areas beside the traditional academic structure, to manage knowledge transfer, intellectual property, relations with industry, internationalisation, image management, alumni, fundraising and life-long learning. Research centres are created and dissolved with need, because research is geared toward short-term returns and in favour of disciplines with potential commercial application (Marginson & Considine, 2000).

The entrepreneurial university

Some of the above activities have traditionally been part of what universities did, so the issue now is perhaps the manner in which they are pursued, the priority they are given and the ideology behind this. A simple definition of an entrepreneurial university would be that where the head of the institution conducts its management just like the Chief Executive of a private company and where there is an obvious profit motive in the provision of services (Marginson & Considine, 2000). Entrepreneurial education is education given in return for payment and where the objective to make money by providing educational services – teaching, research and facilitative services – is paramount. Entrepreneurialism within academia is driven and sustained by certain internal and external factors. These factors are explained below. They constitute the themes explored throughout this work, whose complexities are recognised and unravelled in the following chapters. Furthermore, a definition and explanation of the term commodification, as it is used in the higher education discourse, is discussed in this introduction and further argued and embellished in the body of the work and the conclusion.

A dire need for funds

One of the major reasons for education reforms, and the introduction of user-pays systems in various countries, is the strain on state resources due to the massification – not only are more people entering tertiary education, but also people are remaining in it for longer – taking postgraduate degrees, or taking degrees in more than one discipline; and increasing participation in tertiary education – which is the drive to recruit students from sectors that do not as a matter of course go into higher education. Both variations put pressure on the resources universities have to respond to the rising numbers of students. Shattock (2003) records that in the UK the funding shortfall since the 1980s is 45%. This dearth in universities' funds has led to “a dramatic, albeit uneven and still

contested, shift in the burden of higher education costs from being borne predominantly by government, or taxpayers, to being shared with parents and students” (Johnstone & Shroff-Mehta 2003:32).

They posit that this transfer of financial burden may take one, or more often, a combination of these methods: tuition fees, either newly introduced or raised; charging full costs for services previously subsidised, e.g., accommodation charges; reduction in grants, the award of loans in lieu, or privatisation policies.

As universities look for ways to survive the shortfall in government funding they are forced to look for non-State sources of revenue. Services begin to be marketed. This leads to organisational and structural changes on managerial principles, just like in private companies.

The neoliberal philosophy of marketization

What is significant is that these reforms were influenced by ‘new right’ camps, chiefly the neoliberals. Harvey (2007:2) defines the neoliberal philosophy as “a theory of political economic practices that proposes that human well-being can best be advanced by liberating individual entrepreneurial freedoms and skills within an institutional framework characterized by strong private property rights, free markets, and free trade”. In the neoliberal state, Harvey concurs with Olssen *et al* (2004) that the “role of the state is to create and preserve an institutional framework appropriate for such practices”. In the UK they “supported a minimal state... and maintained strong commitments to diversity [of provision methods] in education, even opposing compulsory schooling” (Olssen *et al* page 175). Neoliberals are known to generally oppose welfarism. An example is New Zealand, where “the Treasury’s brief to the government ... contained a graphic account of an education system that was relentlessly squeezed between fiscal and political pressures, such that the state, it was alleged, could no longer meet public expectations and political demands for further extension and improvement of education provision” (ibid). Neoliberalism and how it impacts the commodification of higher education is analysed from page 68 to 77.

This formed the premise that informed government policies that paved the way for education entering the market, in the hope of a more effective service to the consumer. The people on the left of the ideological divide are not convinced that education is better provided by the market. Fitzsimons (2002) does not agree that market mechanisms will solve any problems with state financing of education. He opines that the entrepreneurial culture that seeks to commodify education is only

advocated because “For neoliberals it is not sufficient that there is a market: there must be nothing which is not a market.” By that paradigm even higher education must become a commodity, and educational institutions producers in the market.

GATS

The General Agreement on Trade in Services (GATS) is part of the World Trade Organisation. The tabling of higher education as a globally tradable service at this forum is seen by many as coming from those who have no other motive in education than that of making money. GATS opens the way into foreign ‘education markets’ in four ways: cross border supply, by which method educational services could be delivered into other countries from one country through telecommunications, Internet or mail; consumption abroad, which involves the cross border movement of consumers, e.g. students going from one country to another to study; commercial presence, referring to service suppliers establishing businesses in other countries, e.g. franchising or branch campuses, etc., and the presence of natural persons, whereby not only is foreign direct investment made, but that investors physically relocate to the foreign country.

The crucial thing to note is that the GATS’ treaty rules aim to remove all those barriers, technical or otherwise, which countries have created to protect their home markets and these treaty rules supersede local laws and regulations where they clash.

Globalisation

Education International (2003:5) writes in its report that “The exchange of ideas and research across borders has been central to the development of higher education and research...Rather, at issue today is what rules should govern international higher education and in whose interests those rules should operate”. It posits further, “the globalization of higher education is rooted in a drive towards a globalized and commodified higher education market” (page 7).

It is the market forces that would see everything marketised that dominantly drive globalisation, using governments to make and enter treaties with a view to conquering markets for them. Support for this statement is given by Scott (1998b: 127) who writes that the globalisation of higher education is “inescapably bound up with the emergence of a knowledge society that trades in symbolic goods, worldwide brands, images-as-commodities and scientific know-how”.

As Altbach (2004) argues, universities cannot escape the economic, political, scientific and technological impact of globalisation. He writes that internationalisation is the method by which individual institutions try to cope and take advantage of this unavoidable impact. Such devices include ‘twinning’ – the award of degrees in various countries by the same institution and franchising.

According to Shattock (2003), more than fifteen million students are now annually studying abroad in other countries. The volume of this trade, and thus its attraction, can be gleaned from Baty’s (2005) account that “Overseas students pay £1.25 billion in tuition fees and are said by [the] British Council to be worth £10 billion to the UK economy”. Worldwide, the value of this market could be multiplied several times and all prognoses point to increases.

Public versus private good

A major contestation in the marketization and commodification of education is whether education is a public or private good. The division over this argument is between those, on the one hand, who want education to be in private hands, to be treated as any other commodity, supplied to meet demand and make profit, and those, on the other hand, who see education as a need for all citizens and of which, therefore, the state principally should be the provider, so that its acquisition would not depend on whether or not the individual citizen can afford to pay for it. This is a matter of political philosophy. Thus, broadly, those on the right of the ideological dichotomy see it or are more likely to see it as, or desire that it were, a private good; while those on the left of the divide see it as and would want it to remain in the public sphere. For a nation, the vision of education by the ruling party, following its tenets, will determine whether education policy provides for tax-provision of education for all citizens or whether it is commodified.

Education as a public good

The crux of the argument for education as a public good appears to hinge on sociological and moral factors. For the public goods camp education is viewed as a human right and the argument is that there should be no barriers, except the incapability or disinterest of the individual, to prevent education. The sociological argument is that, as Grace (1994: 135) articulates it, education is “a democratically provided service for the enhancement of the intellectual and creative potential of all

citizens-in-the-making, with a formal commitment that this enhancement process should not be related to the class, race or gender of the student or to his or her ability to pay for it". The right to education, up to some level, has also been entrenched in the UN declaration of human rights. This camp fears that in the market where education is a commodity "to be produced, packaged, sold, traded, outsourced, franchised and consumed" (Peters & Roberts 1999:100) some would be losers, and this is not a situation that is acceptable in today's society.

Education as a private good

Those in favour of education as a private good, prominently the new liberals, who see it as another service that is best provided within the market system, depend on the economist's definition of public good and argue that education does not meet the criteria to qualify as a public good. They argue further that education had historically been provided by the private sector and that the take-over of education by the state was an intervention rather than norm. Many writers conclude that education does not meet the conditions for a pure public good.

We may ask why the economist's definition should supersede the social, cultural and moral, in other words, humanistic argument. Why commodify at all, given that some would not be able to afford it, and given the risk that those who have the power to provide it would determine what becomes legitimate knowledge, what purpose education should serve and who should be given the opportunity to have it?

Education as a Commodity

Pearsall and Trumble (1995: 291) define a commodity as "an article or raw material that can be bought and sold". They add that this is as opposed to a service, of which they give two definitions that are of interest here: "the act of helping or doing work for another or for a community" and "the provision or system of supplying a public need", thus a social service. Noble (2002:2) defines a commodity similarly as, "something grown, produced, or manufactured for exchange in the market".

Noble (2002: 2) sees education as the "utter integration of knowledge and the self", which is a process that "necessarily entails an interpersonal (not merely interactive) relationship between people – student and teacher (and student and student) that aims at individual and collective self-knowledge". He says that when education is commodified, this interpersonal relationship and utter integration of

knowledge and self is deconstructed, because commodification is built on “the interruption of this fundamental educational process and the disintegration and distillation of the educational experience into discrete, reified, and ultimately saleable things or packages of things”, such as the diverse individual courses or full programmes. Noble, consequently, defines the commodification of higher education as the “deliberate transformation of the educational process into commodity form, for the purpose of commercial transaction” (ibid).

In the commodification of higher education, therefore, the objective is to turn a social service – a public need – into an article for sale. The commodification of social services is often a political decision (see e.g. Holstrom, 2000; St Clair & Belzer 2007). Nainoo (2003) also argues that with the commodification of education any argument to the contrary is difficult to sustain, because then “the belief that the true value of an intellectual product derives from its position outside the realm of political influence and the short term interests of capital has been challenged” (page 253), because the recognition of the exchange value of education “has led to the negotiation of a new research contract between universities, the state and society” where the research function is “repositioned as one of commodity production” (ibid).

The case of Sweden

The economists’ definition and the neoliberal marketization philosophy would appear to be at cross-purposes with the social welfare ideology, the openness and broad democratic participation characteristics of Swedish institutions. In its public administration reforms, in contrast to other countries, Sweden has held on to traditional socialist values and its reforms have been characterised as a social responsibility model emphasising humanistic concerns, rather than a market-led model.

The issue is whether things would remain the same as a number of decisive factors are coming to impact higher education in Sweden. One is the widening access. “The government has set objectives of 50 percent of a year group [cohort] of young people attending higher education and providing more study places in higher education for natural sciences” (Högskoleverket 2003: 3). In the seven years between 1993/94 and 2001/02 the percentage of working class children who went to university, for instance, went up from 20% to 26%. The emphasis on the natural science is worthy of note, as this is one major area whose findings are easily commercialised and forms the basis of most university entrepreneurship. The National Board for Higher Education (Högskoleverket) notes that, “The emerging global education market is also making

itself felt and with it growing competition for students both within Sweden and amongst the universities and other universities around the world” (ibid, page 4). While Sweden is very aware of the global student market, it is not yet really in it. A third policy priority is “contacts and collaboration with business and industry”. The nature of these contacts and collaboration will determine to a good degree the possibility and extent of entrepreneurialism the universities will engage in.

All these three factors taken together would certainly put a lot of pressure on resources from the state, which almost exclusively foots the cost of education. Such demand on resources is a major argument for the marketization of education services elsewhere. There exist already, anyway, private universities and colleges in Sweden, but they operate under the same regulations as the state institutions.

What has been achieved in this study is the relating of the empirical data on the Swedish situation to the themes that have been laid out above, to examine the extent of entrepreneurialism at Swedish universities and whether the system has been pressured by either, or a combination, of the environmental factors and ideology-based political decisions to commodify higher education in the country.

Getting a foothold

The reasonable point from which to start was the literature. The initial search was to discover if there were any books and academic papers on the subject. One had a broad sweep – anything on the management of higher education and then within this those that concerned entrepreneurialism. The seminal works on the *entrepreneurial* or *enterprise* university by Burton Clark (1998) and Marginson and Considine (2000) were discovered with ease. There were also major contributions to the discourse made by Lyotard (1979), Peters & Marshall (1996), Scott (1998), Peters & Roberts (1999), Knight (2002, 2003), Eggins (2003), Shattock (2003), Sporn (2003) Olssen *et al* (2004), Tomusk (2004) and lots of others. These were literature that mostly concerned the UK, Australia, New Zealand, Europe in general or the Western world in general. Clark, Shattock, Sporn and Marginson & Considine, e.g., helped to define the entrepreneurial university and its characteristics, which could form the basis for identifying the entrepreneurial university or if universities were of an entrepreneurial character anywhere else. Knight gave an authoritative definition of the globalisation of higher education and an in-depth analysis of the workings of the General Agreement on Trade in Services (GATS). Eggins and Scott dealt with many of the environmental

influences that force universities to turn entrepreneurial. Other books offer resistance to these influences and argue for why universities should remain state institutions. Such ones include Peters and Marshall and Olssen *et al.* Tomusk is in fact cynical about the entrepreneurial university.

It was very difficult to find literature that dealt with the subject matter in relation to Sweden. LIBRIS, the database that is a hub for over 300 libraries in Sweden and the Swedish National Bibliography were searched online. The stockholdings of major Swedish bookshops were also searched online. Through these efforts were discovered Strömholm (1994), Sörlin (1996) and Bauer *et al* (1999). The major repository of data on higher education in Sweden is the annual and thematic reports of the *Högskoleverket* – the Swedish National Board for Higher Education. The issue of the commodification of education itself is contained in the commission reports and the arguments against it published in the reports commissioned by *Sveriges Förenade Studentkårer* (SFS) – the federation of Swedish student unions. These reports became invaluable to this study.

Relevance

The connection between globalisation and the trade with higher education is apodictic. The commission set up by the Swedish government at the end of 1999 to study how to increase the number of foreign students from fee-paying regions of the world at Swedish universities as well as tuition financing of higher education observed (Dir. 1999:100, page 63) that “globalisation is a reality and so is even the global education market”. It noted that “Sweden is a relatively little country that is pretty late in establishing itself in the international education market”. This late entry may account for the difficulty in sourcing literature relevant to Sweden on the subject. Extant literature covered aspects that fall within the scope of this research only in parts. Internationalisation/ globalisation was covered by Opper (cited in *Högskoleverket* 1996), the commissions set up by the government to study how universities were doing on the issue (*Högskoleverket* 2005b, c, d) and various universities’ websites. The transformation of higher education and universities were cursorily treated by Strömholm (1994), Sörlin (1996), and in greater detail by Bauer *et al* (1999) and Askling (2001). Governance was treated by Askling and Bauer *et al.* Hellström (2007) treated entrepreneurialism in a journal article. Commodification, in some sense, is to be found treated only in the commission report that recommended tuition fees for non-

EEA students (SOU 2000:92; SOU 2006:7) and those of the federation of student unions (SFS 2004, 2005).

From questionnaire responses it became also clear that even now the issue is still beclouded. Sweden's oldest university, in response to this researcher's questionnaire (Appendix II) wrote as follows:

“After having studied the questionnaire, I must unfortunately tell you that I cannot participate as a representative of the university, the reason being that too many of your crucial questions are of a nature that the university leadership hasn't, as of today, taken any firm stand [on]... Of course, a stand must be taken soon or later, by way of formal decision or real action, but we aren't there yet” (Lauritzen – questionnaire respondent).

The paucity of literature and the situation that the universities themselves, who should implement any policy on the commodification of their services, and whose academicians should research and write about it, “aren't there yet” constitute very strong evidence of the relevance of this research. Consequently, it is envisaged that this research could make original contributions as follows:

- Since the literature search has not yet revealed any study about the commodification of education in Sweden, to research this for publication is useful not only for Sweden but all that have or may develop an entrepreneurial interest in the higher education system in Sweden.
- Sweden is keen on globalising its higher education. Globalisation is a key driver of entrepreneurial education. A big part of this research deals with Sweden's foray into the 'global education market' and how this will interplay with education in Sweden being either a public or private good.
- The commodification of higher education could be seen as neoliberal. Sweden is a welfare state. A conflict is imaginable here. How this conflict is resolved, or could be resolved, would be another result of this research that would be a new and major contribution.
- In any case, the research would document all the issues surrounding how universities in a welfare country survive the dwindling state-financing, and a corpus of data would be gathered, collated and analysed for future reference on the sources, value and uses of non-state incomes in this welfare country; as well as the extent education could be commodified while the system still retains its social democratic, welfare and solidarity credentials.

Participation

In the gathering of first-hand data a number of universities and individuals participated. Ten universities participated in responding to questionnaires and partaking in interviews. The Chief-of-Staff of the Ministry of Education and six vice-chancellors or their deputies were interviewed, as well as Members of the Parliamentary Committee on Education in the Swedish Parliament – *Riksdagen* – representing five of the seven parliamentary parties.

The questions put to them were broadly divided into three sections. One part dealt with, among other things, issues having to do with autonomy and financing. This was to see if there were such internal factors that could ignite a push for entrepreneurial education provision. Another part dealt with questions on education as a tradable commodity as well as user-pays services and other commercial or entrepreneurial activities within the university. The intention here was to discover if there was an entrepreneurial attitude or frame of mind, and the extent to which various types of entrepreneurial activities were already embedded in the system, in order that one could surmise one way or the other if the commodification of education was possible. The last broad section raised questions of globalisation and relations with the fee-paying regions. Since globalisation is a major driver of the commodification of higher education, the answers to these questions could indicate the disposition of the system to provide education as a tradable commodity in one or a combination of the methods envisaged by GATS.

One typical Swedish characteristic that this researcher really appreciates is how persons in high positions consider themselves as ‘simply doing their jobs’ without regard for the status of their positions (in contrast with the researcher’s native country, Nigeria for instance, where the status would be by far more important than doing the job). Secondly, there is an absence of the type of crushing bureaucracy and secrecy that obtains in Britain, for instance. Because of these factors, it was easy to arrange the interviews, simply by fetching the contact details on universities’ and the parliament’s websites and sending emails. Again, very typically of Sweden, once a time had been appointed no further bureaucratic elements were put in the way; the guest is never made to wait, there is no passing through a secretary or gatekeeper, but the host himself/herself received the guest at the appointed time. These being the case, no further difficulties were experienced in doing the fieldwork, discounting the common non-response at the stage of administering questionnaires.

Layout of the thesis

After the preliminaries, the pertinent themes to be explored throughout the work are presented and explained in the introduction. The data collation and analysis starts with the literature review. This is executed in three parts. Part I (Chapter Three) sets out the purposes of the literature review in general and then looks at the repositioning of universities, discussing their transformation from the 1970s towards the entrepreneurial paradigm. The theory of the organisational pathways propounded by Clark (1998) is analysed in detail. Here also defining it and noting its nature and characteristics of the entrepreneurial university. Part II (Chapter Four) deals with the drivers of the entrepreneurial university. That is, it considers those external influences that come to bear on universities and force them to decide that turning entrepreneurial is their best option. Part III (Chapter Five) narrows the literature to those that specifically deal with the subject-country, Sweden. Here is considered the transformation of the higher education system in Sweden from the 1970s. We look at how the system has dealt with the internal pressures – such as funding, to the external pressures – such as globalisation, that could force the system to also go the entrepreneurial way. From all of this a good opinion was formed on the knowledge available and contributions that could be made on the issue, especially as it relates to Sweden; a working definition of the key term – entrepreneurial university – and its nature were discovered, and justification for the study was derived. The study of the literature informed the formulation of the following research questions to structure and facilitate the collection of data:

1. What statutory framework governs the functions and management of universities in Sweden?
2. What are the sources of finance of Swedish universities?
3. How does widening participation impact the resources available to universities?
4. What services do universities provide and charge their students for?
5. What are the platforms of university-private sector relationship?
6. Are Swedish universities globalising?
7. Are there discernible aspects of entrepreneurialism in the Swedish university system?
8. Is the commodification of higher education possible?

In chapters six, seven and eight the results of the field research are presented, relating the empirical data tightly to the themes that have been developed in order to properly establish the Swedish situation on the issue of the commodification of higher education. Chapter Six interprets the responses to the questionnaire. The analysis of these answers contributed to the formulation of questions for the interviews with Members of the Parliamentary Committee on Education as well as Vice-Chancellors. The interview responses with the parliamentarians are presented in Chapter Seven and those with Vice-Chancellors in Chapter Eight.

Chapter Nine puts everything together. It is the dedicated analysis chapter, which considers the entire research experience, the literature and all phases of fieldwork, in order to answer the overarching research question of whether or not the possibility exists for universities in the welfare state of Sweden to also become entrepreneurial and for the system to still retain its welfare credentials. Chapter Ten is the conclusion. In both chapters the reasoning and analyses are grounded on the data from the fieldwork, against the background of the theoretical framework. The conclusion weaves together and highlights the common threads analysed throughout the work in a tight summary, pinning them clearly once more to the questionnaire and interview data.

Chapter Two

METHODOLOGY

This chapter gives a description of how the research was conducted. It gives a brief account of the research management and then describes and justifies each method of data collection used.

The subject to research was predetermined long before the study was to commence. A full-scale research proposal was developed, in order to give realism to thoughts by putting them down on paper and to have a clearer picture of the scope of the work. This included a time-table and financial implications.

ACCESS, CONFIDENTIALITY AND ETHICS

The issue of access, ethics and confidentiality were taken seriously. “No researcher can demand access to an institution, an organisation or to materials” (Bell 1999:37). Intended research subjects, participants, respondents and ‘gatekeepers’ to documents and materials would want to be convinced of the integrity of the researcher, and the value or likely uses of the research for them to co-operate. Ethical approval was obtained from the Faculty of Education Ethics Committee before contact was made with any potential participant.

An early approach was made to the individuals and organisations that were of interest. In this early contact, the researcher stated the true objective of the project. Guarantees were offered regarding anonymity over the identity of participants, confidentiality in the handling of information and materials, and access to the material or report. All of this was outlined in a Plain Language Statement (see Appendix I), which was sent in both English and Swedish.

The research itself does not aim to impinge on the integrity of individuals, groups or institutions. Ethics is about being fair to all sides. Blaxter *et al* (1996, cited in Bell, page 39) explain:

“Research ethics is about being clear about the nature of the agreement you have entered into with your research subjects or contacts. This is why contacts can be a useful device. Ethical research involves getting the informed consent of those you are going to interview, question, observe or take materials from. It involves reaching agreements about the uses of this data, and how its analysis will be reported and disseminated. And it is about keeping to such agreements when they have been reached” (page 146).

Even though there were no obvious ethical issues that could be foreseen in this research, steps were taken to follow the advice contained in the quotation above. All rights were spelled out and assurances given in advance. The independence and self-determination of participants is secured, by clearly pointing out to them their right to refuse, or at any time end participation. All of this was made clear in the plain language statement requesting participation. Informed consent was secured in this manner. Still this researcher was conscious of the fact that throughout the entire project ethical considerations must be borne in mind.

VALIDITY AND RELIABILITY

Validity and reliability in this study are achieved via the selection of participants, the triangulation of methods and the sample size. Purposive selection of research participants of persons most relevant to the higher education system was made – legislators who make the statutes, representatives of the government responsible for policy, and vice-chancellors who execute the policies. All these groups jointly determine, due to the influences they have, the purpose and direction of the nation's education system.

The research is triangulated in two ways. Firstly, the three categories of decision-makers present a possibility for comparing views. Secondly, the literature analysis, questionnaire and interviews each cross-check data from the other sources.

The sample population served the questionnaires and interviewed is slightly broader than the range of other studies that have been conducted (see page 146).

APPROACH

Since the subject to research was known from the beginning and the research questions had been laid out in the proposal, it was clear where to search for answers, apart from the literature. The first invitations to participate, after Ethics Approval was received, were sent out in May 2006 to Swedish university Registrars. This and all subsequent written correspondence were sent cheaply as email. Sending the questionnaires to Registrars turned out to be an error. It appears that the status of Registrars at Swedish universities was mistaken. At this point only a few negative responses were received, including one from Uppsala University (see Introduction, page 17). After reminders that yielded no results, it dawned on the researcher that the best thing would be to approach the vice-chancellors directly.

It was recognised that the participants – members of parliament and university vice-chancellors – were very busy people. And the researcher must travel abroad to meet them. This was taken into consideration in offering them spans of time, e.g. 30 – 31 August or 3 – 6 September. The brevity of the interview was also stressed. In this way, the hurdle of questionnaire administration was cleared by March 2007 and interviews were conducted between August and November 2007 in three batches, over a number of days on each occasion.

A choice between a comparative and a case study was open to the researcher. In a comparative study it would have been necessary to find another country that has certain similar characteristics with Sweden for the comparison to be realistic. Since the goal is to find out if there exists a possibility for a welfare state to commodify its higher education, the second country also has to be a welfare state, be of about the same size as Sweden, and possibly have a comparable economic standing, and at the outset offer free education – not only to its own citizens, but also to all foreigners that come to study there. What is readily on offer are other Nordic countries, such as Norway. However, for the comparison to be meaningful there should also be appreciable differences, so a comparison with, say Norway, would defeat the purpose since the Nordic countries have very similar policies and direction.

A deciding factor in the end is that in comparing two countries, one would not achieve the same depth in the understanding of the functioning of the system and get a full grasp of a possible future direction on the crucial issue as attention would be divided. The researcher, therefore, made the choice to take a deeper look at one system, to gain a good grounding of the subject, which could then in future form the foundation for a comparative study.

The enquiry is a qualitative case study. The Swedish university system is the ‘case’. With this mention of system, it would be apposite here to quickly adopt the definition of a state education system, and especially apt in the case of Sweden, given by Archer (1979: 54) as:

“a nationwide and differentiated collection of institutions devoted to formal education, whose overall control and supervision is at least partly governmental, and whose component parts and processes are related to one another” (quoted in Bray & Kai 2007: 126)

Freebody (2003:80) narrates that:

“As part of the International Mathematics and Science Study commissioned by the US Department of Education, the National Institute on Student Achievement, Curriculum and Assessment (1999) conducted a case study of the entire Japanese school system with particular reference to the teaching and learning of Mathematics and Science. In a sense, the entire system was ‘the case’...”

The case the researcher reflects upon could be anything from a single student to “...an education programme, a nation’s education policies and provisions and so on” (ibid: 82). Merriam (1998:27) explains a qualitative case study as “an intensive, holistic description and analysis of a bounded phenomenon” such as a programme, an institution, or a system. The motivation for this case is the challenges and options the commodification of education would present for a welfare state such as Sweden. In other words, what is the Swedish higher education system doing about the fast expanding commodification of education all around the world?

The research seeks to document all the issues surrounding how universities in a welfare state survive the dwindling state-financing, especially in this case where they do not even charge tuition fees. A corpus of data would be gathered, collated and analysed for future reference on the sources, value and uses of non-state incomes in this welfare state, as well as the extent to which education could become a commodity while the system still retains its welfare credentials.

Overarching Question

This research will answer the key question: Is the commodification of university education a possibility in the welfare state of Sweden?

Research Questions

The overarching research question was deconstructed into the following research questions. This achieves two objectives. It helps the attempt to determine appropriate data collection tools to facilitate the data collection and, the questions focus the research on the issues concerning commodification of higher education and entrepreneurialism within the Swedish university system.

1. What statutory framework governs the functions and management of universities in Sweden?
2. What are the sources of finance of Swedish universities?

3. How does widening participation impact the resources available to universities?
4. What services do universities provide and charge their students for?
5. What are the platforms of university-private sector relationship?
6. Are Swedish universities globalising?
7. Are there discernible aspects of entrepreneurialism in the Swedish university system?
8. Is the commodification of higher education possible?

METHOD

The researcher is not limited to the use of any particular methods of collecting data in a qualitative case study, (Merriam 1998):

“Unlike experimental, survey, or historical research, case study does not claim any particular methods for data collection or data analysis. Any and all methods of gathering data, from testing to interviewing, can be used in a case study” (page 28).

But certain methods are in practice preferred by many researchers. Such methods include observation, where the researcher has the opportunity to directly observe the phenomenon under study; surveys, suitable if a very wide audience needs to be reached; focus-group interviews, where it is essential to have a representative sample of the whole; questionnaires and interviews of various types. This research used: questionnaires, semi-structured interviews and document analysis. Each of these methods is explained below.

Questionnaire

Following preliminary work and the planning of the research, it became clear that the questionnaire would be one of the methods to collect data. The intention here is to use it to gather information covering the various aspects of university activities that would fall under entrepreneurialism, as well as the statutory, organizational and managerial structures that hinder or facilitate this.

In this venture the structured questionnaire is the appropriate type. As Bell (1999:119) points out, “The more structured a question, the easier it is to analyse”. Why this is so is elucidated when Cohen *et al* (2000:249) write that in a well-structured questionnaire the response categories are known. What the researcher requires doing

then, when analysing, is to rapidly collate the answers of the different respondents and interpret their meanings.

The questionnaire has many other advantages. It allows, e.g., efficiency in the use of time. It is easy to draft and the respondent takes little time to answer it. With the structured questionnaire especially, the intrusion on the respondent's time is very minimal. And since the respondent completes the questionnaire at his/her own time at the place of their own choosing, the researcher has no way of impacting the depth or breadth of the answers of any one of them, e.g. through probing, prompting or paraphrasing, as would be the case in a face-to-face interview.

Furthermore, the questions put to all respondents are the same, so that, as Munn and Drever (1996:33) observe, "any variety in the answers is a true reflection of variety of view and circumstances among respondents". Differences of opinion would be an interesting factor in determining what may be possible. This can also make categorization of answers for analysis easier.

Overall, the questionnaire is reliable. Comparing the questionnaire with the interview, Cohen and Manion (1994:272) rate the 'overall reliability' of the interview as 'quite limited', while the overall reliability of the questionnaire is rated as 'fair'. The authors also aver that the questionnaire has fewer sources of error, limited only to the instrument or the sample.

A final point to make is that it is cheap to administer. Bell (1999:119), however, adds a qualification – the researcher has to be "sufficiently disciplined to abandon questions that are superfluous to the main task". However, eliciting a good response rate is a clear disadvantage of the questionnaire.

Questionnaire design and administration

The questionnaire for this research was designed with the discipline that Bell talks about, not so much in consideration of quickly producing and cheaply administering it, but crucially because of the intention to get direct, concise answers.

It makes good sense to test and have an idea of how respondents would experience completing the questionnaire and to have an idea of how long it would take for respondents to complete it; how easily the questions are understood, and to discover any needs to reformulate any questions.

Bell (1999:128) expresses the commonsense that "ideally, it would be tried out on a group similar to the one that will form the population to [the] study". This was of

course not possible. It was intended to serve the questionnaire to all key policy and management level officers of all universities in Sweden. However, this would not have yielded any better result. Rather, it would have led to unnecessary duplication. The questionnaire was served to the vice-chancellors of thirty-six comprehensive universities in Sweden, that is, those that offer a full range of programmes. Specialised universities, e.g., the Agricultural University or College of Music, were exempted from the start, because they are single-discipline institutions.

Interviews

The interview, the second method of data collection in this project, has been defined by many as a special form of conversation (Holstein & Gubrium (1997), Miller & Glassner (1997), Stake (1995), Cohen *et al* (2000), Freebody (2003)). The objective is to generate knowledge through the interchange of views in human interaction.

This objective is reached due mainly to the adaptability of the interview, as Bell (1999:135) describes it:

“a skilful interviewer can follow-up ideas, probe responses and investigate motives and feelings...the way in which a response is made (the tone of voice, facial expression, hesitation, etc.) can provide information that a written response would conceal”.

Cohen *et al* (2000: 268) also talk of this flexibility when they say that the interview lends itself to changes while in progress. In its less formal structure the interviewer is free to modify the construction or sequence of questions, elucidate or broaden them.

Further depth in seeking truth is achieved with the interview than with other methods. This is aided by the fact that the researcher probes and prompts the respondent and both can reflect on what is said and make corrections, even coming back to an issue that had been passed, or give explanations where misunderstanding is perceived.

Interviews, according to Stake (1995), elicit the description of episodes, linkages and explanations. The semi-structured interview would give the researcher more mileage in finding out the thinking on and attitudes toward the issue in question by the people who make the decisions and implement policies. Interviews in this situation will also enable the researcher to better understand any documentary evidence.

The interview also has its own drawbacks. Some of these, Miller & Glassner (1997) point out: social distance, non-comprehension of the interview question or an intention on the part of the interviewee to purposely mislead the researcher. No social distance was experienced by this researcher. Persons in authority in Sweden seldom ‘throw their weight around’ and act in an intimidating manner. In the interview process two languages were utilised, Swedish and English, so that any minor miscomprehension was ironed out in the language that could best be used to explain the issue. Since the interview questions were semi-structured, deriving from questionnaire responses and backed by a good grounding in the literature, the span for an interviewee to deliberately mislead the researcher was at best very minimal.

Review of Essential Literature

Documents constitute a major repository for this research. Stake (1995:68) asserts that documents often serve as “substitutes for records of activity that the researcher could not observe directly”. Such observation is obviated by the nature of this particular research. Bell (1999) writes that documentary evidence would be central to the research when access to the subject of research is impossible. In this research the documents, e.g. government and the universities’ reports and publications of all kinds, and the texts, constitute a major part of the data.

Documentary evidence allows a choice of sources: they could be primary, in which case the documents determine the direction and development of the research (Bell 1999), or they could be secondary, where there is already material about the original source. There will be no limitation to type of document. The literature expands knowledge of the issues under consideration. Punch (2000:43) writes:

“Literature is an extremely valuable resource, and an important storehouse of knowledge and thinking about a topic or area. It includes previous research reports and their findings, theorising and reflections about the area”.

Many of the reports of the Högskoleverket and other authors hint at the commercialisation of education. Opper (1979) did a study on internationalisation, based on Uppsala and Umeå Universities. Högskoleverket takes up the issue of internationalisation in many of its reports. Most universities also have sections on their websites about what they are doing regarding internationalisation. Then there are the commission reports on attracting foreign students. Sörlin treats a little bit of the

transformation of Swedish higher education; Askling (2001) and Bauer *et al* (1999) treat it in more considerable depth. Again, Askling and Bauer *et al* treat governance. Commercialisation is touched by Bauer *et al* and in the reports of Högskoleverket as well as Hellström (2007). All of these are aspects covered by this research. The only writing that actually treats entrepreneurialism in Swedish universities is Hellström, which studied policy documents of ten universities for analysis. No literature has been found that treats commodification, except the commission report that introduces the question of partial commodification – the proposal to charge fees of non-EEA students.

ANALYSIS

Data are analysed on a running basis as they are presented in the work. There is, however, a dedicated analysis chapter (Chapter Nine) after all the data had been presented. For this comprehensive analysis criteria have been set, in order that conclusion can be drawn, which would be seen to clearly derive logically from the data and facts the research has discovered.

This has been the sequence from the start. The background study of the literature and documents informed the choice of questions included in the questionnaire. The answers received in response were collated and analysed. This analysis gave an indication of areas that needed further explanation. Thus the structured interview questions were based on both the analysis of the questionnaire responses as well as the expanded literature review.

Chapter Three

LITERATURE REVIEW – PART I: THE REPOSITIONING OF UNIVERSITIES

The critical review of the literature is intended to serve, primarily, three objectives. The first is that it would give a clear definition of the key terminology underpinning this research – Entrepreneurial University, by examining the nuances of definitions of the term. From this a working definition of the term to guide its usage in this work would be derived.

The second objective is to peruse what academic work has been done in this field. As Fink (2005:5) says, “You may do [a literature review] for personal or intellectual reasons or because you need to understand what is currently known about a topic”. This will itself have two prongs, firstly, the transformation of higher education – in terms of reach, governance, structure, etc. towards managerialism and the commodification of higher education and, secondly, any such development in Sweden.

Fink (2005:6) says further that the researcher:

“must either prove that nothing or very little can be found in the literature that effectively addresses your study’s topic or that the studies that can be identified do not address the topic as well as you will in your proposed research”.

Having a good idea of what work has been done previously would serve both to steer this researcher away from grounds that have been covered and, uncovering any lacuna, especially in the matter of the commodification of higher education in Sweden, will give justification for the project and or the approach it would follow. That constitutes the third objective; in other words, defining theoretical parameters for the research.

The study of higher education as an academic field has been going on for about a quarter of a century. (Clark 1998: vii) writes that:

“higher education has been high on the agenda of governments and central to the fortune of nations. Similarly, this same period has seen quite massive changes in direction, in the complexity of systems, in the underlying rationale which has accompanied such changes and in the sheer size of the enterprise in terms of students, staff and budgets, not to mention social and economic purpose. It is not surprising then

that higher education itself has broadened and now encompasses some 20 different disciplines”.

Twenty different disciplines may well turn out to be a great undercounting even as the field is still very young as a research interest. Tight (2003) gives account of Teichler’s (1996), Frackmann’s (1997) and his own categorisations of the areas of research within higher education. While Teichler and Frackmann respectively have four and five categories, Tight expands his to eight. But what really gives an idea of how wide the field is already is that only the first of Teichler’s four categories, one that he labels ‘quantitative-structural aspects of higher education’, contains thirteen areas of research:

“access, admission, elite and mass higher education, diversification, types of universities, duration of study programmes, graduation, educational and employment opportunities, job aspects, income and status, returns for educational investment, appropriate employment, mobility” (2003:5)(original italics)

Tight goes on to say (page 3) that “dozens of books and hundreds of articles are now published each year” in the field of higher education research. It would be quixotic, thus, to even contemplate attempting to review all of the literature out there. The attempt here, therefore, is to set the cross-hairs on a handful of the literature that really concern themselves, as closely as can be determined, with the issues related to the questions that this research seeks answers to. Even at that, a discriminating selection has been made for review.

In line with those factors that have been identified in the proposal to impact the on-going transformation in higher education, and which serve as drivers for the possibility that this research is considering in the case of Sweden, the review will seek in the literature to find the available level of knowledge, previous work on the transformation of higher education, the definition and characteristics of entrepreneurial higher education, the various drivers of entrepreneurialism within the university – the dire need for funds, the neoliberal philosophy that everything is a marketable commodity, GATS, globalisation, the consideration of whether education is a public or private good – and, the Swedish situation, i.e. how the transformation is going on in Sweden and how these environmental factors affect the governance, structure and processes of higher education in the country. It is from such considerations that we

would be able to identify spots that have not been covered by the literature and also attempt to answer the question about the options open to the particular system or what directions they may follow.

The literature review will be in three parts. In Part I an attempt will be made to get an understanding of the repositioning (restructuring or transformation) of higher education and universities in general; especially, a close look will be taken at the case studies of Burton Clark (1998), which appears to be a seminal work on the subject, and the transformational pathways he has identified, Shattock (2003), which may be termed a participator's account, and those of Marginson and Considine (2000), who did similar work to Clark's covering more institutions, but whose interpretation of the findings and enthusiasm about academic entrepreneurialism do not appear to be as romantic as Clark's. Here also what the literature says about the nature or characteristics of the entrepreneurial university will be studied. Part II will examine current knowledge on the factors that drive universities to take the entrepreneurial route and what gives them impetus to remain entrepreneurial. Part III will be devoted to literature examining the Swedish case, that is, the statutory background, the governance, transformation and the impact of the environment on universities in Sweden, as well as the possible future direction of the on-going transformation.

THE TRANSFORMATION OF UNIVERSITIES

The higher education sector is an old sector in most countries, especially in the West. It is presumable that, over the centuries, it has undergone several waves of transformations. Transformation, especially for institutions that themselves, through the results of their research and the philosophies that come out from within their walls, give impetus to transformations in the economic, social and other spheres of the society, must be a constant process. Sometimes such transformations may be revolutionary, at other times – probably more often the case – they would pass unnoticed like the water under the bridge. The transformation that has been in the discourse concerning the present state and the future of higher education is the transformations that began in the late 1970s, seen often as part of the New Public Management (Tolofari 2005) inspired by the neoconservative governments of Reagan in the USA and Thatcher in the UK. Opinion is divided regarding its nature, in terms of if it is revolutionary or silent. Shattock (2003: 146), for instance, writes that:

“the word ‘entrepreneurial’ has penetrated the discourse of higher education to an extent that one could reasonably assume that a revolution in the management of universities is underway. No such revolution is, however, taking place, at least in large parts of the UK higher education system”.

On the other hand, Marginson & Considine (2000: 2) postulate:

“[We were not] surprised to find that an entrepreneurial spirit is now sweeping the cloisters. We live in that age of business and it is plain to everyone that the money-changers have long since mortgaged the temple. What was often surprising to us, during the course of the case studies underpinning this book, was the speed and extent of the changes now taking place”.

They go on to state categorically (page 3):

“...a revolution is well under way. Forms of university governance and academic work that survived previous restructures are now under more direct assault. In many places, claims of privilege and special status outside the market have been rejected. In others, the battle over the intellectual purpose of the university is being fought on increasingly unequal terms”.

While Shattock (2003) believes that there is no revolution but Marginson and Considine (2000) are surprised by the speed and spread of the transformations, there is little doubt, judging from their vocabulary of choice, that the direction of the transformation is toward what is now commonly called ‘entrepreneurialism’. Shattock notes that the word has “penetrated the discourse of higher education” while Marginson and Considine posit that the “spirit of entrepreneurialism is sweeping the cloisters”, which to them was not surprising because we “live in that age of business”.

The term entrepreneurialism conjures up in the mind business concerns – that of making investments or taking risks with the hope of making profits. This is a venture that private individuals or business interests normally undertake, something that, some would argue, is not akin to the nature and social purpose of universities, or their ownership. For, as Scott (1998: 116) notes:

“Universities almost from their beginnings, were national institutions. They grew up alongside and under the protection of nation states. And the current size and influence of higher education system is closely related to their perceived capacity to fulfil national purposes in terms of strategic power, economic efficiency, social equity and so on”.

Scott’s view is supported by several other authors. Marginson and Considine (2000), e.g., talk of “the post-second world war concord which saw universities accept their place as servants of an expanding definition of the public interest”. This role, they claim, is currently being knocked down by the type of restructuring that is taking place.

THE NEW DIRECTION

Autonomy

There is agreement on the move away from the ‘ivory tower’ view of the governance, funding and traditional roles of the university in the society. The literature also makes clear in which direction the universities are now moving in this new era of restructuring. Universities in Europe, for instance:

“[] actively seek to move away from close governmental regulation and sector standardisation. They search for special organisational identities; they risk being different; they take chances in ‘the market’. They adhere to the belief that the risks of experimental change in the character of universities should be chosen over the risks of simply maintaining traditional forms and practices” (Clark1998: xiv).

Shattock (2003: 147) reinforces this view of Clark’s (1998) by explaining that it means highlighting “a situation where an institution has psychologically broken free of the tramlines of state policies to chart an individual strategy”. It would appear from the statements of Shattock and Clark that the universities declare themselves physically and psychologically independent all of their own. That would not be true. In the neoliberal era, this independence – in fact, seeming independence, as some say – has been more thrust on the institutions than they have fought for it. Perhaps certain key individuals and interest groups, e.g. executive vice-chancellors and other key managerial personnel have developed on this to consolidate their positions, as we would see later, but this independence of body and mind has been more the engineering of governments, what Olssen *et al* (2004), citing Rose (1993: 209), refer to

as the process of “govern(ing) without governing”. Marginson and Considine (page 8) explain that:

“Certain decisions once made by national or state governments about resource deployment e.g., have been transferred to the universities themselves. Other decisions once made by academic units are now determined from above by professional managers or technicians”.

How this works in reality is that the universities claim independence in planning their programmes and curricula, and in the disbursement of funds given to them or incomes that they earn; but the government has put in place methods for monitoring and control more stringent than when the universities were not autonomous institutions. Some analysts are in this light even suspicious of the autonomy the universities are said to have been given, or claim to have arrogated themselves. Reading (1995), e.g., argues that universities cannot be reformed to “produce knowledge more efficiently, or to produce more efficient knowledge”, rather what the reforms are about is the question of “production” itself. While universities are given free reign to produce their curricula and explore any area of knowledge they desire there is the proviso that any knowledge produced at the university:

“fit into the cycle of production, exchange, and consumption. Produce what knowledge you like, only produce more of it so that the system can speculate on knowledge differentials and profit from the accumulation of intellectual capital” (Reading, page 204).

Taylor (2003) gives a closer examination of how governments have influenced the independence and new direction of universities. Their technologies are multi-faceted. Taylor exposes the subtle and not so subtle ways governments use policy to influence changes in the structures and processes of universities, even while the universities have autonomy. Today’s mass attendance at universities itself is part of the governments’ social engineering, which the universities have to execute. He identifies the reach of the university in future as covering almost all aspects of the economy and society. While:

“policy statements invariably have little to say about many issues that affect the quality of life of the populations they serve, such as (to pick out a few at random) national and

regional identity, immigration, environmental damage, drugs, food safety. Nonetheless, the work of tertiary institutions has both immediate and long-term relevance to these and to many other problems” (page 13).

The blurring of hierarchy and differentiation between different types of post-secondary educational institutions is another influence politics has had on academia. According to Taylor (2003), before the massification of higher education, universities dominated tertiary education and other forms of post-secondary institutions were clearly seen to be of a lower ranking order and often went by names such as colleges of ‘further’ or ‘continuing’ education. Today’s emphasis is on diversity that recognises many different forms of institutions as tertiary institutions. The objective is to achieve, among other things, less hierarchy and social stratification by avoiding the appearance of the institutionalization of such stratification; maintaining a commitment to equality and the avoidance of dissipating public resources that arise from recognising some institutions as high-status.

Yet, as would be expected, there is always resistance to change. The resistance here is two-fold. One is that of the higher status institutions resisting the diffusion of hierarchy and resistance to change within individual institutions, for which, according to the author, there is little academic enthusiasm. In the neoliberal era, there is urgency in bringing about structural changes within the tertiary education system to prepare them to fully embrace entrepreneurialism and growth. “Capitalist economies need growth, and growth means change. Within tertiary education, the fact that change benefits some people more than others affects its pace and directions” (Taylor 2003:16). He writes that this resistance is tackled in two ways. One is by exploiting the self-interest of individual players and organisations with a system of rewards. Among organisations the use of ‘unified nomenclature’, common funding formulae and similar entry requirements, which do not rub off the prestige of the traditional tertiary institutions, have been employed in some countries and have led to acceptance.

Another major change in tertiary institutions is what is called client-focused change. Firstly, citing the OECD, Taylor (2003: 16) explains that client in this context is not to be thought of as meaning student, but as embracing all the institution’s stakeholders, e.g. “employers, social partners and other economic and social actors with vital interests in tertiary outcomes”.

This client-focus is a factor of the new-right inspired marketization of education. While its influence is felt everywhere the zeal for it is not universal. Taylor points out:

“The ideological features of this revolution are more marked in the United Kingdom, Australia and New Zealand...[whereas] in Germany, France and some other European countries, market concepts are still a relatively modest element in tertiary policy-making, and their importance is politically contested” (page 19).

Taylor goes on to give some reasons for student-focus, as:

- Past experience does not encourage the view that changes in structure invariably produce outcomes universally perceived as beneficial... A focus on the experience of students emphasizes process rather than structure.
- In a climate of reduced per capita public expenditure and lower direct taxes, funding problems consequent upon rapid growth direct attention to the possibility that a higher proportion of the costs of tertiary education should be a charge against the future earnings of individual student beneficiaries.
- If individuals are to contribute, immediately or prospectively, to the costs of tertiary education, they are likely to be more concerned about the quality of the teaching and learning opportunities they are offered.
- At a time when students are being asked to shoulder greater financial burden, it is advantageous to governments to present policies in terms of the benefits to the individual of the open access, flexible course structures, progression between levels and equality of esteem that characterize student-centred approaches.
- The conceptualization of tertiary education in market terms, which is an increasingly important (although by no means universal) feature of policy, puts a premium on student choice. For such choice to be exercised effectively, individuals need much better information about the range of opportunities open to them than was necessary in a smaller and more selective system, thus further emphasising the student perspective.

This whole idea is contested of course. Taylor cites Pigden (1997) as suggesting that:

“... many students come to the university with no very clear idea of what they want or what interests them. They do not have a determinate set of preferences that are already there to be catered to. Rather their preferences are shaped in the course of the

education process... With consumer goods, the customer is always (or most always) right. With education, it is often a case of the 'Teacher knows best'".

Apart from setting direction, the government also exercises direct influence and control over tertiary educational institutions through the allocation of discretionary funds, through audits and assessments or sometimes even through the effective use of the media. Governments still constitute the major source of funds for tertiary institutions and the manner of allocation of these funds is a tool for enhancing some educational policy directions and inhibiting some other initiatives. Yet government seeks not to be directly involved or to accept responsibility. Taylor (2003:22) explains:

"...it is important for government to identify those areas in which maximum policy leverage can be exerted, without direct involvement being sought in, or responsibility accepted for, every aspect of an institution's affairs. Thus per capita income may be separated from capital provision, with institutions themselves being obliged to find the latter by means of loans; teaching and research income may be treated separately, sometimes as a means of concentrating research in centres of excellence, sometimes in order to build up research capacity in hitherto underprovided locations or poorly resourced specialties; money may be moved from one part of the tertiary sector to another, in accordance with new policies and priorities; and per capita payments may be adjusted in order to encourage the provision of courses in shortage areas and to diminish the incentive to offer those where there is oversupply".

Indeed the universities may develop their own programmes and allocate finances as they please, but their autonomy is doubted by some. Lyotard (1979: 50), for instance, considers why the autonomy may not amount to much:

"The 'autonomy' granted the universities after the crisis of the late 1960s has very little meaning given the fact that practically nowhere do teachers' groups have the power to decide what the budget of their institution will be; all they can do is allocate the funds that are assigned to them, and only then as the last step in the process".

Thus the claims about autonomy for universities may in fact be hyperbolic.

Marketization

There is an abundance of literature (Clark 1998, Scott 1998, Peters & Roberts 1999, Shattock 2003 and Sporn 2003, etc.) that point directly to entrepreneurialism and marketization of education as the new direction of the university. The major pull toward entrepreneurialism is the financial situation that educational institutions find themselves in, as Taylor (2003: 15) explains:

“During periods of economic stringency in HE in the late 1970s and 1980s, and in preparation for what they believed might be the lean years of demographic downturn, many HEI looked for, and found, sources of finance other than the state. They became entrepreneurial. They recruited larger numbers of overseas students and ceased to be sensitive about pricing their services at private sector rates”.

As made clear by Clark (1998) in his theory about entrepreneurial universities, his examination of successfully managed universities by Shattock (2003) and the attempt by Marginson and Considine (2002: 3) “to ‘capture’ and interpret the main features of the new kind of higher educational institution now emerging, opening that institution to scrutiny and debate”, successfully restructured or transformed universities have characteristically, in the words of Sporn (2003: 128), “an entrepreneurial culture, professional management, diversified funding, strong academic identity and shared governance”. For Clark and Shattock it is clear that there can be no other option than entrepreneurialism. Citing the case of Warwick University, at which Shattock was one of the key transformation managers, Clark comments with apparent enthusiasm:

“An *idea* came first. Warwick could cover the ten percent reduction by a ‘save half, make half policy’ – make savings to eliminate half the shortfall and generate new income to cover the other half....’We had to find ways to generate funding from other sources; we did not see why people or companies would simply give us money so we decided to earn it’ (Shattock 1994a)... What Warwick turned to instead was an earning scheme within which various parts of the university – some old, some new - could be permanently put in a posture of paying for themselves *and* generating annual surplus that could be used by the entire university. The idea became an ‘earned income policy’. The institutional problem then became how to implement the policy to generate significant income. If the government were to go on making cuts, or hold back on future funding increases, that additional income would have to be major. The policy pointed strongly toward entrepreneurial action. The gathering of funds would have to be done yearly; it

would have to be systematised and administered; it would undoubtedly require some risky funding of new units... essentially product-oriented research” (1998: 16-17) (original italics).

Marginson and Considine (2000) recognise the factors forcing universities to need to adopt new methods and adapt to the new roles demanded of them by the environment, to be more relevant to society and to meet the high calibre labour requirements, as well as the need for constant retraining. They maintain, however, that this does not evacuate the university’s ability to play its ideal role of contributing impartial ideas for the amelioration of society. They caution, nonetheless, that “Being useful to business is being widely interpreted as being like business”, and they query:

“the extent to which universities must mirror markets in order to serve markets, must become corporations in order to treat with them or should organise themselves in the manner of an industry in order to play a useful role in assisting industries to innovate, plan and manage their fortunes” (2000: 5).

Three parties – the universities themselves, the government and industry – each plays roles that bring about and strengthen this new culture of universities. All parties have interests emanating from the more pronounced valorisation of knowledge in this era of the ‘knowledge capital’, ‘human capital’ and the ‘knowledge economy’. Again, contrary to other interpretations of the postulates of Shattock (2003) and Clark (1998) about universities breaking free to declare their independence of the state, much of the restructuring going on in the university is due to pressure from the outside, that is to say, the government, industry and commerce. Peters and Roberts (1999: 59-60) concisely capture this view:

“[] as the knowledge functions have become even more important economically, external pressures and forces have seriously impinged upon its structural protections and traditional freedoms. Increasingly, the emphasis in reforming the university institution has fallen upon two main issues: the resources of research and teaching, with a demand from central government to reduce unit costs while accommodating further expansion of the system, on the one hand; and changes in the nature of governance and enhanced accessibility, on the other”.

The expansion of the functions of the university and the destratification of universities has seen universities take on the programmes and courses that used to be run by various kinds of non-university institutions dedicated to producing all kinds of skills. “These are not the familiar vocational skills of the industrial era” claims Hinkson (1995: 125) “because such skills now have greater generality”. The notion, according to Hinkson, is the production of *flexible skills* and *generic skills* to serve the market, because “For the first time with any generality education has a practice that is able to be sold”. This is the neoliberal notion, and Peters (1995: xxxvi) explains that it is a reinvented human capital theory that sees education as an area for private investment. And the purpose of the commodification of education as such is “a major strategy for enhancing labour flexibility and, therefore, for improving the overall efficiency of the economy”. Education has thus been removed from the realm of knowledge for its own sake to that of knowledge as a skill for the market.

Sporn (2003), on her part, considers a European perspective on the restructuring of higher education:

“The reform of higher education in Europe has been characterised by a certain drift towards the market. Formerly dominated by state control and drawing on public funding, as well as offering open and free access, higher education systems in many countries have now become more client-oriented and more accountable and work closely with industry and commerce” (page 122).

Widening Access

The reforms include widening access and diversity, by which groups that traditionally did not aspire to acquiring tertiary education are now encouraged to do so, to enable them to participate in the labour market as skilled labour. It also means a wider range of programmes organised in different ways, and emphasis on internationalisation, to give students different experiences and prepare them for international careers.

The view of widening access is widespread. There is heightened demand by the labour market for highly educated personnel. Young people appreciate also that they would need higher education qualifications if they hope to compete successfully in the labour market. In addition, governments know that in the era of globalisation, competitive strength lies in a populace that is highly educated and productive. If this is

not the case the jobs within their borders would be up for grabs by international applicants from other countries within regional economic organisations. Therefore, as Tight (2003:4) notes:

“...the assumption is becoming that most people will participate and on more than one occasion. Behind this trend lies, of course, the rise of the so-called ‘knowledge society’, technological development, globalisation and increasing international competition. All of these trends are seen by governments throughout the world as necessitating increasing investment, by all concerned, in education, training and learning throughout life”.

The jury may well still be out regarding whether or not the objective of the massification of higher education is being achieved. Lyotard said already in 1979 that “In its function of professional training, higher education still addresses itself to the young of the liberal elite, to whom it transmits the competence judged necessary by each profession (1979: 49)”. His foresight is borne out by the British Conservative Party’s Shadow Education Secretary, Boris Johnson, who, looking at his country, described widening access in 2007 as “collective hypocrisy”:

“the other day, [] a group of vice-chancellors was discussing the problems of widening access to higher education. It was a gloomy discussion. Huge efforts were being made to reach out to schools and families that did not traditionally see themselves as university feeders. Yet we are still stuck on 14 per cent of Group D [poor income group] who make it to university, and 77 per cent from group A, and that position has been unchanged for 20 years” (Johnson).

Control and Regulation

In this new era, Sporn (2003) says, emphasis on the part of the state is shifting from control to supervision. Universities are now expected to self-regulate and she cites the examples of Denmark, the Netherlands, Austria and Germany. What this has led to is the managerial restructuring where the management of the university has the authority to exercise executive powers and where administrative personnel play more important roles.

Finances

As state funding has been unable to grow in tandem with the expanding student population, universities are forced to broaden their sources of finance and also to introduce tighter budget controls. Sporn (2003) writes:

“More diversified budgets (from fundraising, research grants, extracurricula activities and so on) can help subsidize new initiatives. Universities can thus develop management structures to create a budget, to introduce cost accounting, to align budget planning with institutional expenditure, to control spending and to attract additional funds outside the state budget” (page 123).

This need has seen universities raise the status of their finance officers to the extent that, according to Sporn, some have appointed deputy vice-chancellors for finance.

Governance

As institutions move towards the market model, management systems are changed to enhance it. Thus vice-chancellors become more executive, meaning that they could take independent decisions and exercise power over university resources in the same way that company executives do in the private sector. To give a semblance of giving a voice to the taxpayer external boards are set up to represent the interests of the public. Academic collegiality as a system for decision-making has waned and most senates now serve only in advisory capacity while the vice-chancellor makes the decisions. Sporn (2003: 124) sees a problem with this managerialism, where “the faculty who provide the core academic services lose authority to act for the institution” and the administrative periphery acquires more decisive power.

Marginson & Considine (2000) also observe this phenomenon in Australia. Like Sporn (2003) they bemoan the structural changes that have been made to enhance the executive powers of the vice-chancellor for which the academic collegiality has fallen victim. They write of “the remaking or replacement of collegial or democratic forms of governance with structures that operationalise executive power and create selective mechanisms for participation, consultation and internal market research” (page 9) as one of the trends of the new governance system of universities.

Differentiation and Periphery

“The periphery refers to structural arrangements at universities which mainly deal with the boundary spanning and bridging activities. As external demands accelerate, universities have to create a strengthened periphery to translate external demands into adequate internal responses. This enhanced developmental periphery could include units for technology transfer, fundraising or external relations” (Sporn 2003: 125).

This need has arisen because of the universities’ response to the surrounding environment. The system where teaching and research activities were organised in faculties and departments catering for a field of related disciplines and acting as a forte on its own is no longer tenable as interdisciplinary research, shared contract assignments across faculties and research centres is now very common and gaining ground. Another aspect of this is that research and teaching may be separated, not only within the faculty, but also at different levels within the faculty. Thus, different arrangements may be made for research at post-graduate and undergraduate levels.

Research and Development

Related to the previous section is the organisation of research within the university today. Research is increasingly inter-disciplinary; its focus is more towards finding answers to questions put by external parties. “Society in general and the job market in particular require solutions to complex problems, which can be solved better by cooperation between universities, industry and government” (Sporn 2003: 125). These require that universities are amenable to new systems for producing and disseminating knowledge and that research is geared toward results that could be turned into tools for solving regional economic and developmental problems.

Evaluation and Assessment

Since the early 1990s evaluation of the work of universities has gained ground in Europe. Teams of external assessors visit universities increasingly to examine the systems and processes universities have to manage and quality assure their research and teaching. Today assessment also covers the administrative functions. Marginson and Considine (2000) write of the paradox of deregulation: as a greater degree of autonomy is given to universities, the more control governments have over them. Control manifests in the targets of all types that they have to meet, as well as the

assessments and performance measurements they are subjected to. This kind of control in decentralisation transcends to the faculty and departmental levels within the institutions. Olssen *et al* (2004:191) are particularly irked by the amount of intrusion on the institutions' independence and responsibility for quality by outside authorities:

“In its contemporary form, managerialism is preoccupied, if not obsessed, with the notion of ‘quality’. Quality has become a powerful metaphor for new forms of managerial control. Thus, in the pursuit of quality, educational institutions must engage in ‘objective setting’, ‘planning’, ‘reviewing’, ‘internal monitoring’ and ‘external reporting’. Policy formation and operational activities must be clearly separated. Governance, management and operations are all distinct functions assigned to different roles. The quality of education is reduced to key performance indicators, each of which can be measured and reported”.

Those opposed to this kind of monitoring argue that education is for the training of minds as opposed to the logic of performativity, which is that “pedagogy should impart only the knowledge and skills necessary to preserve and enhance the operational efficiency of society” Fritzman (1995). He further argues, in agreement with Lyotard (1979), that when the legitimacy of education is measured in terms of costs-benefits or input-output analysis “knowledge is not thought to have any intrinsic worth. Instead knowledge is valued only as a commodity that can be sold; it no longer possesses ‘use value’, but only ‘exchange value’ (page 60).

Sporn (2003) also identifies certain environmental factors impacting the restructuring of tertiary institutions in Europe. These include the economy – governments' spending patterns have meant less money given to teaching and research; demography – Europe's population is aging and becoming more mixed through large immigrant populations; globalization – which requires high calibre labour forces to meet competition as well as the production of new technologies; telecommunication – the Internet and other interactive telecommunications networks affect the methods of delivering educational information, and enhance cooperative research.

TRADE IN EDUCATION

THE THEORY OF THE ENTREPRENEURIAL UNIVERSITY

The term entrepreneurial university is very closely associated with Clark's (1998) *Creating Entrepreneurial Universities: Organisational Pathways of Transformation* where he proposes five signal characteristics of the entrepreneurial university. These characteristics have since been quoted and relied on by other authors (Marginson and Considine 2000, Shattock 2003, Sporn 2003) among others.

Clark (1998) studied five European universities in four countries using the grounded theory approach, starting with just the curiosity to examine a question, without preconceived ideas or any basic conceptual framework or an inkling of what may be found, allowing the theory and even methods to develop from the data that is gathered as the enquiry develops. Dey (1999: 3) elucidates:

“Having identified a problem or topic in very general terms and selected a site where that problem could be studied, the researcher was then to allow the evidence accumulated to dictate the ‘emerging’ theory and agenda. The first thing to do, in order to develop this agenda, was to identify ‘categories’ which captured uniformities in this data, and then to identify their interesting properties and dimensions”.

Clark followed this approach, first making a shortlist of interesting universities. “Data for grounded theory were to be collected primarily through a combination of field work methods, including observations, interview, and documentary materials” (Dey 1999: 6). What Clark did was to make two rounds of visits to his selected institutions, during which he conducted interviews with various groups, sat in at meetings, observed classes in progress, visited laboratories and studied documents. His steps and the outcome are best narrated at length in his own words (1998: xv):

“Since I wanted to determine how each university had gone about changing its organization and practices, I had to pursue peculiarities and come to terms with unique configurations. But I wanted particularly to identify common pathways of transformation, if they existed, that might compose rudiments of middle range conceptualization. Such elements were identified halfway through the research and then pursued intensely in the second round of visits. Thus the concepts that came to rule the study largely emerged from the research and then were used to orient the future work. My mode of reasoning was primarily inductive, largely bottom-up from

analyzed experiences. It was more from “practice” to “theory” than the other way round. In the domain of universities, theory cannot aim for exacting one-size-fits-all. But we can aim for explanatory categories that stretch across a set of institutions, which, at the same time, do not do violence to institutional peculiarities. We can devise covering categories that explain a plurality of cases without distorting their uniqueness. Such “relevant theorizing” can stand us in good stead in understanding university change”.

Having completed his studies and identified the key factors that characterise entrepreneurial universities, Clark (1998) propounds that:

“An entrepreneurial university, on its own, actively seeks to innovate in how it goes about its business. It seeks to work out a substantial shift in organisational character so as to arrive at a more promising posture for the future. Entrepreneurial universities seek to become ‘stand-up’ universities that are significant actors on their own terms. Institutional entrepreneurship can be seen as both process and outcome” (page 4).

Clark (1998) says that he chose to use the term “entrepreneurial” over, for instance, “innovative”, despite the objectionable connotation it has in academic circles with the notion of brutal quest for profits, because entrepreneurial captures more than any other term the spirit of those universities that have in remarkable ways transformed themselves. He also implies that entrepreneurial universities are enterprising in the use of their autonomy, to take risks in search of surplus incomes. Universities are entrepreneurial universities because, being autonomous:

“[] they decide they must explore and experiment with changes in how they are composed and how they react to internal and external demand. They sense that in fast-moving times the prudent course of action is to be out in front, shaping the impact of demands made upon them, steering instead of drifting” (page 5).

For Shattock (2003:147) the entrepreneurial university is one that “has psychologically broken free of the tramlines of state policies to chart an individual strategy. [It is] a truly autonomous university”.

Both Clark and Shattock choose to use the adjective *entrepreneurial*, deriving from *entrepreneur*, meaning: (Pearsall and Trumble 1995) “1 a person who undertakes an enterprise or business, with the chance of profit or loss. 2 a contractor acting as an

intermediary. 3 the person in effective control of a commercial undertaking.” They elect not to use the adjective *enterprising*, deriving from *enterprise*, meaning: “1 an undertaking, esp. a bold and difficult one. 2 (as a personal attribute) readiness to engage in such undertakings”. Thus for the entrepreneurial university the profit motive must be a very strong consideration. As can be easily conceived, universities have always had contact with industry and the findings of research in universities have been converted in industrial production processes into goods of all kinds; and universities have always played enhancing roles in the economic and social development of the regions in which they are located and the nation as a whole. Kerr (1963), Sörlin (1996) and others have written of this interaction between the university, industry and the local community. Kerr, for instance, writes of universities having become “‘bait’ to be dangled in front of industry, with drawing power greater than low taxes or cheap labour” and narrates that in California:

“new industrial laboratories were located next to two new university campuses before the first building was built on either of these campuses... Sometimes industry will reach into a university laboratory to extract the newest ideas almost before they are born. Instead of waiting outside the gates agents are walking the corridors...” (page 89)

This is not dissimilar to the ‘science parks’ being established at a lot of universities, often as joint ventures between the universities and industry. Furthermore, what Clark has identified as the five imperative elements of transformation which mark out progressive, enterprising universities from the rest, are processes that anyone reengineering a business of almost any kind would normally do – managerialism: more centralised decision-making power (Clark’s *strengthened steering core*); new initiatives: which may involve employing new ‘change managers’, bright cool-headed, ambitious visionaries or dreamers and some mavericks, that would come up with new ideas and new ways of doing things (*expanded developmental periphery*); old hands would need to be bought over – sometimes with higher appointments or new responsibilities – and persuaded to take ownership of the changes going on and those who cannot bend would be weeded out (*the academic heartland*); a new vision or ethos matching the new direction of the business must be created and good team-building effort would be expended to see that everyone (or most of the influential people) is carried along (*integrated entrepreneurial culture*); and of course, one of the things consultants try to introduce when they are setting new direction for businesses is new

product or service lines, new markets, or new customer groups in the same market, etc. (that is Clark's *diversified funding base*).

So, the issue in the discourse on entrepreneurial universities is not whether or not universities carry out managerial, administrative and structural reform. They do very often. It is not whether some would be enterprising, as in audacious and groundbreaking, for they might be and have been in the past. The central issue in the discourse is the uppermost motivation, and we see from Clark (1998) and Shattock (2003) that what distinguishes the universities they call entrepreneurial and, therefore, successful and exemplary, is that they are focused on profit; first the money, and the other things would follow. It is true, of course, that the money puts them in good stead to attract high quality lecturers, administrators and researchers, who themselves must have the capacity to attract more money. It is, after all, the neoliberal age.

Marginson & Considine (2000) conducted case studies of seventeen Australian universities for *The Enterprise University – Power, Governance and Reinvention in Australia*. But in doing so they had in mind the extant international discourse on universities and their primary focus was the examination of university governance. Their interpretations of the findings reflect more the global patterns than what the data reveal about the individual universities studied. Marginson and Considine (page 4) use the term Enterprise University to describe the new form of university emanating from the phenomena of executive leadership, the market-focus and diverse changes going on in these universities. They explain that they discarded other such terms as “academic capitalism”, “corporate university” and “entrepreneurial university” because “all those other terms suggest a one-dimensional institution solely dominated by profit-seeking, an organisational culture totally reduced to the business form”.

In their opinion enterprise denotes the nature of being enterprising. It is not focused on a profit-motive, since leaders can be enterprising even in academia as in any other field. They acknowledge, however, that parts of the new university are pure business concerns, but they would not go so far as to say that is the exclusive focus or concern of the modern university. Enterprise, in their view, covers both the financial and academic aspects. But it is discernible that the universities' “academic identities, in their variations, are subordinated to the mission, marketing and strategic development of the institution and its leaders” (2000: 5). However, they postulate that the objective with the transformations valued far above the economic and academic goals by the

universities themselves is the ambition to “advance the prestige and competitiveness of the university as an end in itself”.

This researcher agrees with the preference for the term enterprise, in line with the two meanings of the term as defined above. Clark (1998) also uses this term, in the sense of the attribute of being bold and ready to engage in untested or difficult tasks. He then decides that the term does not capture the idea he wishes to advocate. He uses the term in a manner as to indicate a stage or condition for entrepreneurialism; that is to say, any enterprising university has the potential and should progress to entrepreneurialism. However, only partial agreement with the interpretation given the universities’ quest for prestige and competitiveness is conceded, as there is no clarity as to how this could be for its own sake, and if it were so, why that would be an objective higher than those of academics and economics. We can, on the other hand, easily surmise that universities seek to build up prestige as a weapon of competition, and competitiveness is required if they have to attract greater economic benefits and establish stronger academic reputations.

THE NATURE OF THE ENTERPRISE UNIVERSITY

Organisational Pathways of Transformation

In his attempt to conceptualise common pathways that could be applicable to all universities that in a dynamic and exemplary manner transform themselves, Clark (1998) had to identify concept indicators. This was done through a process of elimination. In several rounds the raw data was categorised and reduced in the search for common identifiers of uniformity in all cases. In this way, Clark arrived at five common organisational pathways: the strengthened steering core, the expanded developmental periphery, the diversified funding base, the stimulated academic heartland, and the integrated entrepreneurial culture.

The strengthened steering core. Clark opines that traditionally, universities in Europe “exhibited a notoriously weak capacity to steer themselves”, drifting, while they waited for detailed direction from their political patrons. He says that this might work for institutions with well-established reputations, who have large endowments and assets, but not for those on the margin or the institutions that dared. Such universities require a strengthened steering core that is a concert of both central decision-makers and persons drawn from academic departments, to position the university to “become quicker, more flexible, and especially more focused in reactions

to expanding and changing demands” (page 5). The functions of the strengthened steering core were to actively seek new financiers other than the state, to set up infrastructures and bridges between the university and the outside world, especially industry and business. Such a core accords the university the synergy to make hard choices, be it in its international relations or issues concerning the weeding and restructuring of academic programmes. He sees the strengthened managerial centre as a “mandatory feature of a heightened capability to confront the root imbalance of modern universities” (page 138).

Opposed to Clark’s view that the strengthened managerial core is a centre where representatives of academic units are brought in to make contributions to central management, so that the university is in harmony moved forward to greater achievement of goals, Marginson and Considine (2000) see an executive power which no other person in the university dares challenge. They see the invitation to serve extended to academics as a ploy to extend the powers of executive vice-chancellors and give effective control of the faculties to the vice-chancellor:

“In many of the institutions we surveyed, VCs and their executive advisers described a general shift towards limiting the semi-independent authority of deans who preside over faculties with discipline-based mandates. The common strategy they define is twofold. First, deans are being drawn upward to sit on executive, budget and planning bodies responsible for the university’s overall strategy. This is viewed as a means to curb the powers of ‘independent fiefdoms’ and ‘robber baron’ empires. The new central planning committees typically require deans and other budget holders to submit to a process of ‘performance-against-planning’ in which faculty priorities are subsumed under a set of priorities established by the VC and his or her executive. In many cases we also see a more exacting system of performance evaluation of deans in which individuals are measured against their progress towards meeting such central targets and objectives” (2000: 80).

Marginson and Considine (2000) claim further that rather than a strengthened central decision-making of the nature described by Clark (1998), there are vice-chancellors’ ‘kitchen cabinets’. “Most have informal status and are not defined by statute.” Their meetings are informal and they may advise the vice-chancellor informally, when s/he asks for advice, and generally, their purpose is to support and strengthen the chief executive against any flak that might be thrown at him/her from

any quarters. “They are as flexible as needs be: changeable in role, agenda, members and modus operandi, but united by a common interest in the pragmatics of power and career” (page 87).

Expanded developmental periphery. This is the second touchstone of the entrepreneurial university. This periphery is of course organised in different ways at each individual university. But the purposes are principally two: internally, to bring the different disciplines out of their forts and to work together, especially in the matter of research, usually in cross-disciplinary project-oriented centres that are easy to build and to disband; and, externally, to build bridges across to and manage relations with all of the universities’ present and potential working partners. Their functions, as Clark identifies them, encompass running professionalized outreach offices that “work on knowledge transfer, industrial contact, intellectual property development, continuing education, fundraising and even alumni affairs” (1998: 6). These non-traditional peripheries constitute the key entrepreneurial engines of the modern university, attracting to the institution “the project orientation of outsiders who are attempting to solve serious practical problems critical in economic and social development” (page 6). The developmental periphery is most often noticeable as extensive science parks and joint industry-university research development centres. As “organised location[s] within a university for the entry and absorption of whole new modes of thinking” (page 139), they enrich both the institutions’ competencies in tackling practical challenges, as well as the bursars’ coffers.

Marginson and Considine (2000) also take up the wholesome vigour for research at the entrepreneurial university. They are suspicious that the focus on applied and commercial research is driven purely by profit motive. They assert that research managers are after the research that brings prestige to the university and swells its finances. Their findings, they insist, show that entrepreneurial universities shy away from research of the fundamental category, espoused by the curiosity to unravel the unknown; that at these transforming universities:

“regardless of their private commitments, the primary task of research managers is *not* to encourage research and scholarship as ends in themselves. Nor is it particularly to encourage practices based on imagination, criticism, or other scholarly values. The bottom-line is the research prestige of the university and its contribution to the financial balance sheet” (2000: 135) (original italics).

Furthermore, Marginson and Considine (2000) question the superior value of conducting research within inter-disciplinary research centres. This is not so much with the concept itself, but with what they see as the untested, unproven assumption that such centres are the best spaces to manage outside interests and marketization than the university's traditional modes.

The diversified funding base. Peters and Roberts (1999: 60) note that “Universities have become more market-oriented and consumer-driven as a consequence of funding policies designed to encourage access at the same time as containing government expenditure”. While the state is reducing financial support to the institutions, or refusing to meet rising costs of widening access, the state is also, on the other hand, making available funds contestable. In such a state, and with the likelihood that the situation could be direr in future, it is wise for institutions to find alternative funding sources. The more diversified the better. In addition, there is a logic that it is even more secure to have surpluses that are regularly replenished. Clark (1998) credits entrepreneurial universities with being wiser to these calculations. His findings are that they endeavour to take advantage of the contestability of research council funds by skilfully competing and creating the bases for qualification. They set out to:

“construct a widening and deepening portfolio of third-stream income sources that stretch from industrial firms, local governments, and philanthropic foundations, to royalty income from intellectual property, earned income from campus services, student fees, and alumni fundraising” (1998:6).

The stimulated academic heartland. Clark (1998) writes that “the heartland is where traditional academic values are most firmly rooted... [but] in the entrepreneurial university, the heartland accepts a modified belief system” (page 7). This modified belief system is that of organising the faculty or department as an entrepreneurial unit of the university, reaching out and attracting customers with new programmes and creating other forms of relationships, in order to rake in income for the university. He indicates that the acceptance or opposition of the heartland is critical for the institution's transformation; therefore, he sees the faculties and departments enhancing the restructuring by accepting and participating in the strengthened steering core, participating actively in the expanded periphery and repositioning themselves to bring in third-stream incomes.

But the traditional 'looking down' on business that some academic disciplines have is not easy to overcome. Clark (1998) notes that for some departments, "Deliberate effort on their part to go out and raise funds by offering new services may seem particularly out of place, even demeaning" (page 141). It would especially be so since the university goals and the steering core take on a clearly business hue. And because the faculties and departments may be smarting from their apparent loss of status as "Established academic institutions including senates, councils, academic boards, departments and collegial rule have been supplemented (and sometimes supplanted) by vice-chancellors' advisory committees and private 'shadow' university structures" plus having to compete for room with "ephemeral 'soft-money'-funded entities" (Marginson and Considine 2000: 4). In such a situation a sense and feeling of indignation is well within comprehension.

The integrated entrepreneurial culture. In all his cases, Clark (1998) notes that the move into entrepreneurialism started as one kind of idea or the other. However, in the general manner of ideas, they become anchored and spread from the one activity or problem they were meant to solve into other spheres of activity within the institution. In that way the idea becomes the culture or ethos of the particular institution. In Warwick, for instance, the simple idea to earn income to cover a deficit became first an 'earned income policy' and then "the Warwick way"; at Strathclyde University (Scotland) the idea of "useful learning" has become a culture of academic entrepreneurialism symbolised by a drive to close "the gap between industry and universities" that has made the institution recognised for its scientific inventions and the "Strathclyde Phenomenon"; Twente University (the Netherlands) launched itself from the beginning as the "entrepreneurial university" even before it could define what that could mean and the commitment to innovation at Chalmers University (Sweden) has become the ethos, "the spirit of Chalmers". Ideas become ethos through widespread adoption and reinforcement because they are seen to give positive results. That the entrepreneurial spirit permeates the entire fabric of the institution is another common identifier of the enterprise university.

Clark's (1998) organisational pathways of transformation were quickly adopted; so that now, anyone studying or evaluating progress or dynamism at an institution of higher learning is most often searching to see if these elements are to be found. Sporn (2003) in her case study of one university each in Italy, Switzerland and Austria, confirms these pathways of transformation. She particularly highlights the setting of

clear entrepreneurial missions and goals, and “shared governance”, as a way to integrate the “decentralised and loosely coupled academic community” (page128). Science parks and cross-disciplinary research groups have, for instance, become the norm at universities, even those that have not established themselves as ‘entrepreneurial universities’.

Michael Shattock, the author of *Managing Successful Universities* (2003), was registrar at Warwick University when it executed its groundbreaking transformation. His experience on university management is prodigious. His book not only draws from the experience of Warwick as an entrepreneurial university, but has also drawn on the examples of four other UK universities that either failed or succeeded, depending on the extent of their boldness in implementing the five pathways of organisational transformation that Clark prescribes for entrepreneurial universities. For Shattock the absence of these pathways must be seen as inhibiting development.

As the thrust of the entrepreneurial university appears to be making money and investments – in order to make more money, throughout the book the signal emanates that the success of a university is to be measured in terms of how managerial it is: “The central bureaucracy, both administrative and support services, was radically cut back and a unitary (rather than the previous ‘tertiary’) administration was established under a new registrar” – here we need to note the use of “unitary” to denote what Clark calls the strengthened steering core; how much income-bringing programmes it can establish and cope with running effectively, and how much reserves it can build up in money and reputation terms. Shattock bemoans deans and administrators not yet inured to the entrepreneurial spirit who “were unable to challenge departments effectively on their plans to generate income and no one was willing to insist that a significant element of resources earned should come to the centre for investment in new ventures” (page 150).

This researcher would concede that a rich university would have more resources to invest in teaching and research, for instance, through its capability to attract and pay good lecturers, professors and researchers; but it could be surmised that, in the case of the entrepreneurial university, such resources appear to be the fruits of running a good educational enterprise. In other words, the university is first and foremost a business selling educational services, before it is a place for the production of the educated population that the state needs for its statecraft, innovation, industrial production and the maintenance and expansion of democracy.

Characteristics of Entrepreneurial Universities

There are certain basic apodictic characteristics of the entrepreneurial university. Sporn (2003: 127) lists them as clear mission and goals, an entrepreneurial culture, differentiated structure, professional management, shared governance and committed leadership, institutional autonomy and, diversified funding. Some, e.g. committed leadership, are internal factors and others are environmental factors, e.g. diversified funding. Writers agree that in themselves, these factors are neutral. What gives them character at individual institutions depend on the circumstances and leadership of the institution. As Sporn puts it, “Depending on the history of the institution, its past experience with changes and its current situation regarding resources, environmental demands get translated into either a crisis or a strategic opportunity” (page 127).

Two things that are not mentioned directly (and perhaps need not be mentioned since they form the precept of the entrepreneurial concern) are firstly that entrepreneurial universities are selling a commodity (or commodities). The other is that in the attempt to reach as wide a customer spread as possible there is a collapsing of the distinction between academic and vocational training – Sporn’s (2003) diversification. Peters and Roberts (1999: 175) argue the former:

“Education, in a marketised system, becomes a *commodity* to be sold, traded and purchased. ‘Education’, in this view point, cannot be distinguished from any other service or product in the marketplace – it has an exchange value like everything else.”

Clark (1998: 55), citing a professor who had played a major role in the repositioning of Twente University in the Netherlands, says:

“an entrepreneurial university is a university of entrepreneurs”, one where everyone exhibits an “income-raising vigour”.

At such a university (page 56):

“All [departments] were ‘cost-centres’, and ‘profit centres,’ in which inattentive administration, or unwillingness to seek income, would become self-destructive”.

Universities are pressed to justify their usefulness to the community. Their detractors demand ‘useful’ knowledge; research should be geared towards solving

practical problems faced by industries; high quality labour should come off the universities' production lines. In the attempt to do all of this, and also raise the funds to remain in business when their traditional patrons are giving them less and demanding more, universities have learnt to broaden their field of play. In this mission, Peters and Roberts (1999) argue, they:

“obliterate distinctions between education and training, vocational and academic learning, and universities and other tertiary institutions. There is little recognition of the public service functions of universities (their larger cultural and social functions), and the statutory role of the university as critic and conscience of society is undermined” (page 165).

This drive to commodify higher education now in Europe and other regions of the world gives the universities the same character of universities in the USA, where traditionally university education has never been free, or seen as a citizenship right. This character of the university, akin to what Peters and Roberts (1999) are saying, is described in Kerr (1963: 5) where he quotes from Flexner (1930). He says Flexner complained that universities:

‘were “secondary schools, vocational schools, teacher-training schools, research centers, ‘uplift’ agencies, businesses – these and other things simultaneously.” They engaged in ‘incredible absurdities’, ‘a host of inconsequential things.’ They ‘needlessly cheapened, vulgarised and mechanised themselves.’ Worst of all, they became “‘service stations’ for the general public.”’

While many would argue that universities have not become secondary schools, the rest of the descriptions appear to fit and this has often been pointed out in the discourse on higher education reformation. This scenario is the nightmare of those who oppose the de-stratification of higher educational institutions, the commodification of higher education and the various forms of its provision, especially by non-academic, fully for-profit organisations. Tomusk (2004) for instance, is of the opinion that two factors have come to affect the purpose of the university in Europe. One is the way the institutions have been “socially constructed and then massified under public pressure” and the other is their transformation into “entrepreneurial bodies” in such a way that

“remaining non-entrepreneurial is a non-option”, a situation he cites Neave (1995) as saying “is the process by which the American dream became the European nightmare”.

Control is a common word characteristically used to describe the management of the entrepreneurial university. Shattock (2003), for example, talks of a “unitary” administration and Marginson and Considine (2000) identify “strong executive control”. The new executive has powers far beyond what was previously possible and structural changes are made to “operationalise executive power and create selective mechanisms for participation, consultation and internal market research” (page 9). Marginson and Considine claim further (page 91) that “none of the VCs interviewed saw his or her executive structure as more than a means to extend the reach of a unified management prerogative”.

Managerialism is another salient characteristic of the entrepreneurial university. Sporn (2003) intimates that the universities employ professional managers, or academics become what Deem (2003) calls “manager academics”. Management of professionals is often looked upon as preoccupation with customers’ needs, budgets, quality and performance measurement. These terms, where they existed within the administration of universities, now have new meanings. According to Marginson and Considine:

“Definitions of quality and lines of accountability are drawn less from traditional public sector and political cultures, and more from the private sector and the culture of economic consumption, whether expressed through university-student relations, university-industry relations or university-government relations” (2000: 4).

Marginson and Considine (2000) as well as Peters and Roberts (1999) observe a decline in the significance of the academic disciplines. This is partly due to the restructuring to support the executive control and partly the reorganisation of research more in cross-disciplinary centres. In addition, academics have less job security as many are employed on contract basis and greater importance is placed on research-only staff, and in those fields that have highest commercial potential.

There is both a flat organisation structure and devolution of governance (Clark 1998, Sporn 2003) but this devolution has been described by Askling (2001) and Mok & James (2005) as “centralised decentralisation”. For Marginson and Considine (2000: 9) “devolution is a key mechanism of the new executive power, part of centralised control and not its antithesis”.

Marginson and Considine (2000) also raise concerns as to whether entrepreneurial universities have structures that are built to last. Research centres are established as need arises and disbanded when they have served their purpose. They claim that the vice-chancellors they interviewed made no bones about the fact that they set up the structures, and decide who they work with, and generally showed no allegiance to what had been established by their predecessors.

In the entrepreneurial university, while there is an attempt to have both high quality and competitiveness in both teaching and research, the focus is on commercial research. In all the cases that Clark (1998) studied, it is primarily the establishment of systems for commercial research that turned them into vibrant, entrepreneurial universities. Research whose findings can easily be sold, contract research and joint research with industries are what gives them organisational entrepreneurial credentials. That is why Marginson and Considine argue (2000: 135) that the job of research managers is “not to encourage research and scholarship as ends in themselves. Nor is it particularly to encourage practices based on imagination, criticism, or the scholarly values”.

Big corporations know the value of maintaining a positive public image. This is also realised by the entrepreneurial university. At Twente University, Clark (1998: 44) states that to spread its vision of becoming an entrepreneurial university, the university invested in image management from the start:

“A public figure and imposing speaker, Van den Kroonenberg took the case to the national government, business, and the general public, acting as ‘the ambassador of the university,’ that Twente was or soon would be decidedly different from the classical comprehensive universities and from what the institution had been during its early years of struggle... Keeping the concept simple, Van den Kroonenberg used the idea of ‘the entrepreneurial university’ to help create a new public image that would ‘open windows’ to national industry and local government, always emphasising a ‘continuous flow of knowledge to society, not only by graduates, but also through an active transfer of science and technology directly into enterprises.’ (Maassen and van Buchem, 1991, p. 61)”

Shattock (2003: 121) embellishes this by comparing the university with the corporation. He cites Fombrun (1996: 73) on the benefit of corporate “brand equity as an important determinant of corporate value”. A company’s good reputation enables it

to: command premium prices, entice top recruits to apply for positions, experience greater loyalty from consumers and employees, and have more stable revenues, among other things.

Shattock (2003) recognises that a university's reputation effectually impacts the expansion and maintenance of graduate programmes, the recruitment of fee-paying foreign students, the confidence people have in distance learning provided by the university, the relations with industry – in terms of all kinds of co-operation and partnership and the employment of its graduates, as well as the university's ability to raise funds. It gives the institution strategic advantages in all spheres.

He demonstrates this impact of university brand name:

“Perhaps the best example of branding and its financial importance to universities can be seen in the fees charged for MBA programmes where the leading UK institution (the London Business School) is able to charge more than five times as much as lower ranked institutions which teach a fundamentally similar curriculum. What you are buying at the London Business School is high calibre staff, a very competitive group of MBA colleagues and the School's reputation. When this high fee regime is extended, with variations, across a full range of graduate programmes the differences in income between highly and less highly rated institutions can be considerable. A university with 40 per cent of its total student population on high cost graduate programmes will have a very different financial profile to one which has only 15 per cent of its students on low cost graduate programmes. When the overseas fee component is added to the budget the finance available for investment in future development is multiplied yet further” (page122).

Shattock advocates the treatment of image and reputation as “a key institutional asset” desiring of a strategy for its promotion, and reaching out to the various markets of the university, “with a special concentration internationally on countries which send significant numbers of overseas students to the UK and to the particular university” (page 126).

Chapter Four

LITERATURE REVIEW – PART II: DRIVERS OF UNIVERSITY ENTREPRENEURIALISM

The objectives of the literature review have not changed. The first part of the literature review perused the general transformation of universities towards market-orientation and the institutionalisation of entrepreneurialism. In that chapter the meaning of the key terminology ‘entrepreneurial’ university was expounded. The pathways to becoming entrepreneurial were examined and the characteristics of the entrepreneurial university were identified. The examples were drawn from Europe, mainly Britain, Australia and New Zealand. In this second part, the search is for the drivers of entrepreneurialism. What are the internal and external pressures that force universities to follow the route of business and to make their institutions be like business? Some of the factors that have been identified earlier in this project include the dire need for funds, the neoliberal philosophy that everything is a marketable commodity, GATS, globalisation, and the consideration of whether education is a public or private good.

FUNDING PROBLEMS

Diminishing injection of funds from the universities’ traditional sponsor, the state, is acknowledged by most authors as universal. Peters and Marshall (1996), Clark (1998), Peters and Roberts (1999), Scott (1998), Shattock (2003), Sporn (2003) and several others identify this as the key espousal factor for the reengineering, restructuring and repositioning of universities from the late 1970s. This financial spur is basically two-fold: one is the basic grant, which is falling in terms of actual figures and the other is the incremental allocation not matching the needs of the rising expenditures of the universities. Furthermore, universities aspire always to be competitive in the various markets that they serve – local, overseas, industry – and to be reputed for the standards of both their teaching and research. As such, as Shattock (2003) argues, it would be impossible for any university to maintain its position as a reputable research university without enough funds, if it depends solely on state sources of income, especially when this funding is under threat.

In all the five universities that Clark (1998) studied in Europe, except in the case of Chalmers of Sweden where it “has played a less determining role” (page 95), he found evidence that the foray into entrepreneurialism was primarily as a reaction to the

governments having substantially cut allocations and the fear that further cuts were to be expected. Clark (1998: 21) writes, in the case of Warwick, that the enterprising move towards entrepreneurialism from 1984 or thereabout, was a “strong response to the Thatcher challenge”. The conditions and threats that faced Warwick were the same that faced Strathclyde University, the Scottish institution that Clark also studied. The conservative government of Margaret Thatcher came to power in 1979. By 1981 university funding had been cut across the board by 17%. Clark accounts that since the University Grants Committee had discretionary powers in the allocation of funds to universities, the cuts for individual universities were uneven, and for some went as high as 30 percent. In the case of Warwick University, the cut was 10%, which was not to be seen as insignificant. Clark illuminates the crisis situation and the panic that the universities across Britain felt:

“All the universities were faced with the problem of how to handle their immediate cuts and then especially how to face a future in which mainline funding was likely to continue to falter. This harsh step caused deep shock and far-reaching anger in the academy. A new hostile government was making threats of more to come” (page 16).

This state of affairs led the management of Warwick University to come up with the idea of “earned income”, which led to the establishment in 1984-85 of an Earned Income Group to execute the “earned income policy”, under the leadership of the registrar of the university, Michael Shattock.

Shattock (2003) addresses the impact of contested research funds. Since grants are now awarded separately for research and teaching, then the funds that come to universities vary, in some cases very sharply. Allocations of funds follow stringent formulae, including the criterion of minimum number of students that have to be recruited. Research funds are allocated based on the results of the five-yearly Research Assessments Exercise. This means that most universities cannot expect regular cyclical allocations. Shattock notes that because of the cleavage of teaching and research funding research intensive universities may receive up to 50% of their allocation for research while teaching intensive institutions get as low as 6% and over 75% for teaching (2003: 43) and that since the late 1980s public funding of universities across the board has fallen by 45% in the UK.

The case was the same for Twente University in the Netherlands. Here the strain on government finances began to be talked about in relation to universities as early as

the 1970s, according to Clark (1998). It went to the extent, Clark gathered, that the thinking was that either there were too many universities, or that at least the spread of fields of study and academic disciplinary units could not all be justified and, he cites Maasesen & van Buchem (1990: 60), by the early 1980s the government was no longer mincing words in saying that “it was necessary, because of budgetary and other reasons, to close down a number of faculties and programs in Dutch institutions” (page 41).

This was what got Twente to think of profiling itself as an entrepreneurial university, and to start a public relations onslaught to establish this identity in words and deeds. It took better care of the management of its finances, as Shattock suggests (2003) is essential if a university means to turn around and create surplus income for investment, to the extent that, as Clark found out (1998:45) the university even:

“devised an early form of decentralised budgeting now known around the world under such titles as lump-sum, cost-centre, and responsibility-centre budgeting... The operational units would be encouraged to raise additional funds. Such lump-sum budgeting can be a major shock to faculty and staff. All that freedom to raise and spend! But then all that responsibility to make hard choices among desired expenditures, and all that unit accountability to work within university parameters and national standards. Twente was strict in this regard: it went to ‘full-cost accounting’ in which virtually all service/support costs, such as use of office space and of the computer centre, were charged to the basic units”.

Thus, the university develops what is now commonly regarded as an internal market. Clark implies that Twente’s move was spurred by the decline, within the 1980s decade, of its state funding from 96% by twenty-two percent to 74%.

Clark (1998) claims that even at Chalmers the overall government funding fell, from 67% down to 55% between 1980 and 1995. But this should not be taken on its face-value, since apparently this is due to the method of calculation. The figures he gives (1998: 95) show that the government still financed undergraduate education to 100%, included after 1994 an allocation for cost of premises, and that “Income from research councils, already a substantial item at about one-fifth of total resources in 1980, rose to about 25 per cent.”

The financial difficulty is much clearer at Joensuu, in Finland. This situation manifested in two ways. There were budget constraints for the government which was

felt across the public service and, maybe as a way to lighten its load, the government floated the idea of independence for the universities. Joensuu saw this as an opportunity.

But it is not only in Europe that the universities have to grapple with financial strains. Even in Australia, as Marginson and Considine (2000) report, government funding dwindled over the years and universities were forced to look for alternative sources. And, as observed by Shattock (2003) in the case of the UK, funding was split into teaching and research parts, and the contestability further complicated an already dire situation for some institutions, and made the outcome doubtful in terms of research output. Marginson and Considine record that between 1987 and 1997 the contribution to higher education from government sources fell from 85% to 54%. Yet research allocations appear to have risen, because of a new renaissance of research in universities. However, the authors are sceptical about this. The new enthusiasm for research is not unconnected with the contestability of research grants. This they argue (page 137), “underline the point that in the Australian system success in research has become openly equated with success in obtaining *money* for research” (original italics). The same may also be said of the United Kingdom.

The problematic of research performance measurement is that it affects nearly the whole spectrum of all governmental funds coming to the university. So that success in research means that a university can then attract a lot of funds, or vice versa. For example, to get ‘quantum grants’ – a huge amount of funds intended to support infrastructural development for existing research – the university has to secure national contestable grants. Five years on, to secure this fund, the university is also measured on its ability to secure other industry and public-sector funds, the amount of publications it makes and the number of higher degrees completed. As Marginson and Considine (2000) articulate it:

“In the circular economic logic of the quantum formula, grants beget grants. This was decisive. It created the incentive to focus on money *rather than* the research activity which the quantum was meant to represent and augment. Exchange value subsumed use value, price became purpose” (page 139) (original italics).

In order to meet this requirement, then, there is only one viable option for the university if it does not want to stagnate and disappear. It has to be entrepreneurial, put the making of money above all of its primary functions. This option has two thrusts, one is commercial research and contracts and partnerships of all kinds with industry,

and the other is the quasi internal market where costs are pushed on to the students and their families.

Johnstone and Shroff-Mehta's (2003) concern is the shifting of financial responsibility from the government or public tax sources to the individual student – a form of “charge against future earnings” (Taylor 2003) or an immediate burden to be borne by the family. This is also termed the user-pays system. Johnstone and Shroff-Mehta examine various methods by which this shift is executed. Principally, this takes the form of introducing tuition fees where they did not exist previously, or raising such fees where they did exist. Other forms that the authors identify are the removal of subsidies from books sold at university bookshops, charging market prices for accommodation and other services, e.g., food and sports facilities, so that students pay full costs to cover for the shortfall in government subventions to the university.

“In other cases, the shift of the cost burden from government to student and family may come in the form of a reduction in student grants, or in the ‘effective grants’ represented by student loan subsidies in the form of very low rates of interest. Finally, the shift may come about through public policies shifting enrolments from a heavily subsidised public sector to a much less subsidised, tuition-dependent private sector” (page 32).

Johnstone and Shroff-Mehta (2003) also examine the practical and theoretical rationales for the shifting of financial burden. They identify three widely varying rationales. The first is the sheer need for more money to run tertiary institutions in light of the strained government revenue at the same time as the cohorts of university age were rapidly increasing.

The second rationale is based on the argument that it makes for equity if those who benefit from education make a contribution towards its cost. There are three premises they identify that this argument is built on: one is that the tax that pays for free education is paid by everyone, even those who do not directly benefit in any way from higher education, e.g. those who do not have children; the second is that taxation is often regressive, which means that people who can least afford it pay proportionately more, meaning in turn that the poor are bearing the greater burden. The third, strengthening the latter, is that the most beneficiaries of higher education are from middle to upper income families, who can afford to pay and whose decision to go to university will not be affected by the costs they would have to pay. Lastly, those in

favour of fees argue that making provisions from fees revenue for those who cannot otherwise afford to pay for tertiary education could redistribute the revenue from fees:

“A third rationale for cost-sharing in higher education is the neoliberal economic notion that tuition fees – a price, as it were, on a valuable and highly demanded commodity – bring to higher education some of the virtues of the market. The first virtue is the presumption of greater efficiency: that the payment of some tuition fees will make students and families more discerning consumers and the universities more cost-conscious providers. The second virtue attributed to the market is producer responsiveness: the assumption that the need to supplement public revenue with tuition fees, gifts and grants will make universities more responsive to individual and social needs” (page 35).

Certainly there would be resistance to the payment of tuition fees and other costs for education. Students oppose the payment of fees as a general attitude; they have ‘better things to do’ with their money. In situations where students have to work to pay or partially pay the fees, they may need to work less or use the money saved to meet other needs, if fees were not charged.

The argument of market responsiveness is dismissed, according to Johnstone and Shroff-Mehta (2003), by academics in whose opinion proper higher education should have nothing to do with the market. “Slavishly following what students think they want, or what politicians or business think they want students to take, according to academic traditionalists, is the road to academic mediocrity” (page 36).

They argue also, that the many uses to which tax money is put (in principle withdrawn from education and allocated to other uses) are not necessarily well thought out or in the best interests of the citizenry. It is thus justified, that citizens can demand that these monies be used to highly subsidize or totally pay the cost of education, or that more progressive taxation be introduced to raise more money to finance education.

THE NEOLIBERAL PHILOSOPHY OF MARKETISATION

The rebirth of the political right is the beginning of neoliberalism. The New Right, composed of neoconservatives, neoliberals and the religious right, gained a platform from which to attack state welfarism in Western countries with conservative election victories in the USA and Britain in 1978 and 1979. Professionals who believed

that their professional survival or ability to keep their jobs is better served by imbibing New Right doctrines further swelled their numbers.

Since its rejuvenation, the New Right has affected public administration, instigating widespread reforms manifesting in privatization, devolution, marketization and the commodification of social services. The group that has been most associated with these reforms is the neoliberals.

What Neoliberalism Means

Neoliberalism literally means new liberalism. To have neoliberalism presupposes that there was liberalism – a concept (and movement) of freedom. Therefore, an explanation of what neoliberalism is may best be explored by looking first at liberalism.

What is called ‘classical’ liberalism nowadays can be traced to John Locke (1632-1704) who philosophized about freedom as a political ideology, and Adam Smith (1723-1790) who advocated freedom as an economic ideology. As Martinez & Garcia (2000) explain, “‘liberalism’ can refer to political, economic, or even religious ideas”.

Political liberalism is a palliative for the extremes of conservatives and religious fundamentalism. Its value as such is that it is “a strategy to prevent social conflict” (Martinez & Garcia 2000).

Adam Smith’s concept of economic liberalism is that governments should not influence economic transactions. Thus he advocated that there should be no technical barriers to the production and exchange of goods, such as customs duties, or restrictions on manufacturing. Liberalism aimed to enable the rational (chooses the best, most beneficial or logical option), self-centred (thinks of personal best interest) and utility-maximising (excludes others) man, *to* act freely in the quest for profit and wealth. Classical liberals pitched their fight against the intervention of the state, the state was the enemy.

Neoliberalism is more of an economic ideology influencing politics. With neoliberals, the state is a partner or a tool. They recognize that the state has the power to make possible their ambition of freedom from any form of checks in their marketization strategy in their quest for profit and wealth. McLaren (2003: 70) describes it as capitalism with bare knuckles. His definition captures the essence of neoliberalism:

“Neoliberalism refers to a corporate domination of society that supports state enforcement of the unregulated market, engages in the oppression of nonmarket forces and antimarket policies, guts free public services, eliminates social subsidies, offers limitless concessions to transnational corporations, enthrones a neomercantilist public policy agenda, establishes the market as the patron of educational reform, and permits private interests to control most social life in pursuit of profits for the few”

Other authors uphold some of the key elements of McLaren’s definition. Olssen *et al* (2004), Hill (2002) and others emphasise that, as opposed to classical liberalism demanding *laissez-faire*, neoliberalism wants a strong state, whose role is not to build monopoly services or enhance social justice, but to create the environment conducive to the ‘enterprise culture’ that they want, through the enactment of appropriate laws, establishment of enabling institutions, and the creation of manipulatable individuals that would both be labourers and consumers. The corporate domination of society or enterprise culture is explained by Fitzsimons (2000): “For neoliberals it is not sufficient that there is the market: there must be nothing which is not the market.” The role of the state is in “producing an ideologically compliant but technically skilled workforce” (Hill 2002: 3) and to aid non-resourced persons, e.g. the unemployed, to acquire the means to participate in consumption.

Neoliberalism not only instigates the total deregulation of the economy, borderless trade liberalization and the deconstruction of any ‘public goods’, such as healthcare and education, but the neoliberal philosophy is also that “every social transaction is conceptualized as entrepreneurial, to be carried out purely for personal gain” (Olssen *et al* 2004: 137). Fitzsimons (2002) argues in support of this by asserting that “individuals who choose their friends, hobbies, sport, and partners, to maximize their status with future employers, are ethically neoliberal”.

As it seeks to dominate society through such means as non-tolerance of criticism and strict control, neoliberalism is seen to represent a negative concept of freedom, because it seeks “freedom from constraints and it allows no notion of freedom to act” on the part of the citizenry (Olssen *et al*, page 183). This overall impact of this negative concept is summarized in Anton *et al* (2000: xvii): “Neoliberalism enhances the freedom of the powerful to dominate the less powerful, allowing it to hide behind the rhetoric of the free market,” an argument with which Harvey (2007) concurs.

Impact of Neoliberalism on Education Policy

For neoliberals the market means everything, since their *modus operandi* is to create desire. They seek to turn *homo economicus* into manipulatable man (Olssen *et al* 2004). Education, for the neoliberal should firstly produce individuals who can process information fed to them in order to develop skills required by the market, get employment and earn wages with which to purchase goods and services. While education is understood to be a public good (Holstrom 2000; Grace 1994), “a democratically provided service for the enhancement of the intellectual and creative potential of all citizens-in-the-making”, irrespective of individual circumstances (Grace, page 135), for neoliberals education is just one more commodity to put into the private domain and from which to make profits, and marked by “selection, exclusion and the rampant growth of the national and international inequalities” (Hill 2002: 1).

The neoliberal strategy for education aims at achieving this objective, and this manifests in what counts as legitimate knowledge, the diminution of professionalism, national curricula, the commodification of education, managerialism and performativity. Each of these points is discussed below.

Official knowledge

The educational system is a means of transmitting knowledge. As knowledge is power, it is also a hegemonic tool. Grace (1994: 135) postulates, “it is a powerful source for the nurture of moral, social and community values and responsibilities and for introducing all children to moral and ethical concepts”.

Hill (2002: 2) identifies the plan of neoliberalism for education as firstly making education “fit for business – to make schooling and further and higher education subordinate to the personality, ideology and economic requirements of capital”.

Since neoliberalism would subordinate education to its sway and make the products of educational institutions subservient to its ethics, it is logical that neoliberals would want power not only over the institutions that introduce young people to the concepts of societal ethics but also the content of this knowledge. Apple (1979: 26), interpreting Antonio Gramsci, says “a critical element in enhancing the ideological dominance of certain classes is the control of knowledge preserving and producing institutions of a particular society”. Apple emphasizes the selectivity in what constitutes legitimate knowledge:

“the way in which from a whole possible area of past and present, certain meanings and practices are chosen for emphasis, certain other meanings and practices are neglected and excluded” (1979: 6).

He later writes (2000: 62-64):

“Thus, the freedom to help select the formal corpus of school knowledge is bound by power relations that have very real effects... In a capitalist economy, only the knowledge required by economically powerful groups would become legitimate”.

Contributing to this discourse, Lyotard (1979) considers the means of transmission of knowledge. As the form of delivery changes from that where students sit in a class to hear a professor, to that where knowledge is lodged in databases which are accessed from anywhere by various technological means, especially the computer, Lyotard (page 4) argues that:

“Along with the hegemony of computers comes a certain logic, and therefore a certain set of prescriptions determining which statements are accepted as ‘knowledge’ statements”.

In effect, Lyotard (1979) is in agreement with Apple, that those who own the means of delivery – the capitalists who own and control the use of computers – also would have the power to determine what would be stored in databases and transmitted as knowledge. Furthermore, as education takes more and more the form of the transmission of computer-based information over the Internet there is the possibility, Lyotard thinks, the control of knowledge will become “perhaps *the* major: prize in the global struggle for power” (original italics). This would be so since knowledge, in the form of information, is becoming an “indispensable” raw material to “productive power already”.

Commodification of education

Fitzsimons (2002) has stated that for neoliberals nothing should exist which is not marketable. Holstrom (2000) and Grace (1994) intimate of the neoliberal definition of education as a private, marketable good. This, according to Peters (1995), is the rejuvenation of human capital theory, which sees education as a commodity which

calls for individual investment. Hill (2002) writes that neoliberals' business plan for education is for private entrepreneurs to control and make profit out of it, even if such privatization results in dumbing down. For them, as Roberts (1998) eloquently states, education is a commodity "to be produced, packaged, sold, traded, outsourced, franchised and consumed".

Roberts (1998) writes further that the trend is to privatize processes, programmes and functions, introduce competition, make users pay, and demand quality and accountability. Hill (2002) and McLaren (2003) add that neoliberals also want to provide the content and management. In so doing, they would suppress critical thoughts, drive through curriculum and pedagogy that ensures economic reproduction that benefits the rich.

The commercialisation of education is obvious in changes in education policy, privatization, business-university partnerships, and the increasing contract research. Perhaps even more decisive is that business leaders set the educational agenda for governments. Hursh (2001) narrates that what launched the neoliberal capture of education in the USA was the series of educational summits sponsored and held at IBM offices. In Europe the specific educational agenda of dominant economic and political interests, according to Hill (2002), is set by the European Round Table, a representative group of forty-five of Europe's leading companies from sixteen countries. It also sets the educational agenda for the European Union.

There are varying aspects of entrepreneurialism in the numerous activities of the university (Tomusk 2004; Hellström 2007). But most significant in the discourse on commodification is that which concerns the primary 'customer' of the university, the student. Higher education is pushed by certain interests as a private investment, for the advancement of the individual that acquires it and, therefore, this individual student should pay for it. Universities have since a long time ago adopted the notion of regarding and referring to their students as customers. Yet one crucial question has managed to escape nearly all debaters in the discourse. Peters (1995b: page xxii) asks what the student is buying, and why the student must participate in manufacturing or baking 'the product'?

"Yet on any analysis of the commodification of education it is not clear what the student (or her family) is buying: Is it the skills of the teacher? Is it the program or course? Is it the certificate or qualification at the end of the course or program? In no other example can I think of a "product" (or service) where the "customer" actively participates and

constructs the “product” she buys. Such active participation is an essential or inherent part of the “product” such that if participation is missing, then there is no “product” (or service).”

Peters (1995b) then argues like many others, that it is a distortion of reality to suggest that a seller and buyer relationship exists between a university and its student, for it “is difficult (if not impossible) to adequately capture in market terms; that the relation can not logically be reduced to a mode of consumption” (ibid).

Executive leadership of institutions

A key strategy in the neoliberal onslaught on universities is the diminishing collegial decision-making process, and its replacement with an executive, business-type of university leadership. Marginson and Considine (2000: 9) explain that, “The disciplines, and the collegial cultures and networks which sustain them, are often seen as a nuisance by executive managers and outside policy-makers”. With this managerialism based on business methods, as they put it, university:

“governance became a new process by which the policy goals of politicians, business interests and other key groups became expressed as desirable transformations of the *modus vivendi* of university life. Administrative structures and routines became the chief venue for the working out of ‘the good university’, and thus of ‘good scholarship’” (page 38).

To support this assertion, they recount that in Australia, the Government’s white paper (July 1988):

“demanded ‘strong managerial modes of operation’ and more ‘streamlined decision-making processes... with minimal timelag between making and implementing decisions’. It complained that governing councils were too large, and academic structures too committed to representative politics rather than corporate efficiency” (page 59).

Performativity

In the view of Johnstone & Shroff-Mehta (2003: 35) the introduction of tuition fees and other forms of user-contributions is due to the neoliberal philosophy. They explain some of the arguments of this philosophy in relation to these. One is that

neoliberals see tuition fees as “a price, as it were, on a valuable and highly demanded commodity”. This in itself is premised on two grounds, both market-oriented:

“The first virtue is the presumption of greater efficiency: that the payment of some tuition fees will make students and families more discerning consumers and the universities more cost-conscious providers. The second virtue attributed to the market is producer responsiveness: the assumption that the need to supplement public revenue with tuition fees, gifts and grants will make universities more responsive to individual and social needs”.

Olssen *et al* (2004) make an in-depth comparison of classical liberalism and neoliberalism. They support the stand that classical liberalism is about the freedom of the autonomous individual from the shackles of the state; but that neoliberalism, on the other hand:

“has come to represent a positive conception of the state’s role in creating the appropriate market by providing the conditions, laws and institutions necessary for its operation” (page 136).

They see the individual in classical liberalism as conceptualised to have the power to exercise freedom, dependent on the self-interest of the individual and that the combined self-interest of all individuals amounted to the interest of society (invisible hand theory); but in neoliberalism “the state seeks to create an individual that is an enterprising and competitive entrepreneur”, which attempt to transform the self-interested man to the “perpetually responsive”, “*manipulatable man*” (original italics)

Olssen *et al* (2004) go on to say that the premise for this onslaught on the independence of the citizen is that neoliberal view that the individual is lazy and needs to be made to work, and his output measured against all kinds of standards to ensure that he is working. They conclude (page 137):

“It is not that the conception of the self-interested subject is replaced or done away with by the new ideals of neoliberalism, but that in an age of universal welfare, the perceived possibilities of slothful indolence create necessities for new forms of vigilance, surveillance, performance appraisal and control generally. In this new model, the state has taken it upon itself to keep us all up to mark. The state will see to it that each one of us makes a continuous ‘enterprise of ourselves’ (Gordon, 1991: 44)”.

In this wise, Fritzman (1995: 60) writes, “The friends of performativity urge that pedagogy should impart only the knowledge and skills necessary to preserve and enhance the operational efficiency of society”. It may show that the operational efficiency sought is that required to increase the material output in the society, since as Fritzman further states, “The content of what is taught is determined by the technological requirements of the system, and educators are evaluated by how efficiently this content is conveyed”. Lyotard (1979) opines that this would become the desired objective of higher education. It would contribute to the best performativity of society by teaching or transmitting skills that firstly, strengthen the competitiveness of the nation-state, or which the university itself can sell on the world market, for this is an era in which education is no longer designed for preparing an elite for leadership.

Olssen *et al* (2004) explain two more characteristics of neoliberalism. One is the assumption and “celebration of, and assumed superiority” of the market, as well as the ability of the market to determine a level playing field for each and everyone according to ability and output. This of course, fails to recognise the fact that some groups and individuals are basically disadvantaged in the market. The other is that while neoliberals castigate the large state, and crave a minimal state, what they actually want in reality is reduced state bureaucracy, but not control. Their view of the state is then explained as that of “instigator” and “mediator” of the success of the market, i.e. allowing those who have power the freedom to act in any way they deem fit, and subject “manipulatable man” to their whims. Olssen *et al* state (page 138):

“In this model ethics becomes a matter for the private individual, it is no longer a concern of the state. Thus the assertion of this new morality not only entails revised conception of the individual, but a revised conception of the nature of democracy, of the role of the state, and by implication, of the policy-making process and its outcomes. State support for egalitarian policy initiatives is thought to be an attack on ‘enterprise and endeavour’, ‘self-reliance’, ‘responsible self-management’ and ‘personal sacrifice’ (Keat, 1991; Peters, 1992)”

Peters and Roberts (1999) claim that the neoliberals construct this need. They argue that what is called the needs of the consumer seldom represents what is essential, as opposed to the desire that has been created to make people to want. They say further that it escapes many how these needs are “*constructed*, shaped and modified” as the

why and how of this supposed need, and its consequences, is little examined in any detail. They believe that usage of the term needs in education:

“corresponds with the shift further towards a fully consumer-driven system of tertiary education. In such a system, so-called ‘needs’ – the demands of students, employers and the government – are all that count in determining the distribution and use of resources. *All* decisions in tertiary institutions and organisations driven by these imperatives are ultimately based on the criterion of ‘giving the customer what he or she wants’” (page 45 – original italics)

THE GENERAL AGREEMENT ON TRADE IN SERVICES (GATS)

The General Agreement on Trade in Services (GATS) is part of the World Trade Organisation. The tabling of higher education as a tradable service in the global market at this forum is seen by many as coming from those who have no other motive in education than that of making money by forcing their will on others.

The underlying objective of GATS is, as in the case of trade in goods, to remove all barriers to trade between nations. This has to be seen as technical barriers – those statutory and other regulations set up by states to protect local systems of provision, especially of social services and other sectors having to do with security and protection of vital sectors of their economy – since communication barriers are more or less eliminated, with the improvements in and low cost of transportation and the wide use of information and computer technology. With GATS it is intended to achieve “progressively higher levels of liberalization of trade in services through successive rounds of multilateral negotiations” (WTO 1995a: 285).

The agreement, in Part I Article 1, defines trade in services as trade:

- a) from the territory of one Member into the territory of any other Member;
- b) in the territory of one Member to the service consumer of any other Member;
- c) by a service supplier of one Member, through commercial presence in the territory of any other Member;
- d) by a service supplier of one Member, through presence of natural persons of a Member in the territory of any other Member.

These four definitions are otherwise called (a) cross-border supply; (b) consumption abroad; (c) commercial presence; and (d) presence of natural persons. These terms are defined by the WTO (1995b: 2) as follows:

Cross-border supply is defined to cover services flows from the territory of one Member into the territory of another Member (e.g. banking or architectural services transmitted via telecommunications or mail);

Consumption abroad refers to situations where a service consumer (e.g. tourist or patient) moves into another Member's territory to obtain a service;

Commercial presence implies that a service supplier of one Member establishes a territorial presence, including through ownership or lease of premises, in another Member's territory to provide a service (e.g. domestic subsidiaries of foreign insurance companies or hotel chains); and

Presence of natural persons consists of persons of one Member entering the territory of another Member to supply a service (e.g. accountants, doctors or teachers). The Annex on Movement of Natural Persons specifies, however, that Members remain free to operate measures regarding citizenship, residence or access to the employment market on a permanent basis.

These are known as the four modes of supply in the global trade in services. Each member country of the WTO is expected to make a market-access commitment before this entry into its market would be possible. However, once it gives market access, the country must adhere to two important principles: those of Most Favoured Nation (MFN) and National Treatment (NT). The MFN principle is that, once a nation has committed itself to market access, it must treat no member-state less favourably than any other. However, it may, from the outset, stipulate certain limitations, in relation to Article XVI(2). Should the nation not stipulate the exemptions, then this Article will apply. The Article states as follow, WTO (1995a: 295):

1. With respect to market access through the modes of supply identified in Article I, each Member shall accord services and service suppliers of any other Member treatment no less favourable than that provided for under the terms, limitations and conditions agreed and specified in its Schedule.

2. In sectors where market-access commitments are undertaken, the measures which a Member shall not maintain or adopt either on the basis of a regional subdivision or on the basis of its entire territory, unless otherwise specified in its Schedule, are defined as:

- a) limitations on the number of service suppliers whether in the form of numerical quotas, monopolies, exclusive service suppliers or the requirements of an economic needs test;
- b) limitations on the total value of service transactions or assets in the form of numerical quotas or the requirement of an economic needs test;
- c) limitations on the total number of service operations or on the total quantity of service output expressed in terms of designated numerical units in the form of quotas or the requirement of an economic needs test;
- d) limitations on the total number of natural persons that may be employed in a particular service sector or that a service supplier may employ and who are necessary for, and directly related to, the supply of a specific service in the form of numerical quotas or the requirement of an economic needs test;
- e) measures which restrict or require specific types of legal entity or joint venture through which a service supplier may supply a service; and
- f) limitations on the participation of foreign capital in terms of maximum percentage limit on foreign shareholding or the total value of individual or aggregate foreign investment.

Jane Knight's (2002: 3) analysis of GATS was "intended for university managers, administrators and academics who want a shorthand version of what GATS is about and how it can affect higher education". Knight sees the debate on GATS as polarized between those who see education as a public good and those who see it as an economic commodity. Her objective with the report, she states, is to give a balanced assessment of the advantages and disadvantages of GATS to the tertiary education institutions. She explains (2003: 2) that while there has always been cross-border trade in higher education:

"it has never been subject to international trade rules until recently, [and] has not really been described as commercial trade... The introduction of GATS serves as the catalyst for the education sector to move more deliberately into examining how trade rules may influence higher education policy, and determining whether the necessary national,

regional and international education frameworks are in place to deal with the implications of increased cross-border education, including commercial trade”.

She tabulates the current state of trade in higher education services as in the table below:

Mode of Supply According to GATS	Explanation	Examples in Higher Education	Size /Potential of Market
1. Cross Border Supply	- the provision of a service where the service crosses the border (does not require the physical movement of the consumer)	-distance education -e-learning -virtual universities	-currently a relatively small market -seen to have great potential through the use of new ICTs and especially the Internet
2. Consumption Abroad	-provision of the service involving the movement of the consumer to the country of the supplier	-students who go to another country to study	-currently the largest share of the global market for education services
3. Commercial Presence	-the service provider establishes or has presence of commercial facilities in another country in order to render service	-local branch or satellite campuses -twinning partnerships -franchising arrangements with local institutions	-growing interest and strong potential for future growth -most controversial as it appears to set international rules on foreign investment
4. Presence of Natural Persons	-persons traveling to another country on a temporary basis to provide service	-professors, teachers, researchers working abroad	-potentially a strong market given the emphasis on mobility of professionals

Table 1. GATS Modes of Supply: Application to Higher Education

Source: Knight, J. (2002)

Knight also raises and discusses what she calls controversial questions and issues. These arise from the terms of GATS that are open to various interpretations. E.g., GATS’ definition of services (Article 1(3)) is that:

“services” includes any service in any sector except services supplied in the exercise of governmental authority;

“a service supplied in the exercise of governmental authority” means any service which is supplied neither on a commercial basis, nor in competition with one or more service suppliers”.

Such definitions leave a great deal of room for interpretations. Since services provided in exercise of governmental authority is deemed to be non-commercial and non-competitive, Knight (2002) rightly asks what is meant by non-commercial and not in competition. She articulates the argument of the critics of GATS and illuminates the point that:

“Education critics of the GATS maintain that due to the wide-open interpretation of ‘non-commercial’ and ‘not in competition’ terms, the public sector/government service providers may not in fact be exempt. The situation is especially complicated in those countries where there is a mixed public/private higher education system or where a significant amount of funding for public institutions in fact comes from the private sector. Another complication is that a public education institution in an exporting country is often defined as private/commercial when it crosses the border and delivers in the importing country. Therefore, one needs to question what ‘non-commercial’ really means in terms of higher education trade.

“The debate about what ‘not in competition’ means is fuelled by the fact that there does not appear to be any qualifications or limits on the term. For instance, if non-government providers (private non-profit or commercial) are delivering services, are they deemed to be in competition with government providers? In this scenario, public providers may be defined as being ‘in competition’ by the mere existence of non-governmental providers. Does the method of delivery influence or limit the concept of ‘in competition’? Does the term cover situations where there is a similar mode of delivery, or for instance, does this term mean that public providers using traditional face-to-face classroom methods could be seen to be competing with foreign for-profit e-learning providers?” (2002: 9).

Only 44 of the 144 members of the WTO have made the crucial market entry commitments in the education sector. These include less developed countries that have made commitments, in the hope, presumably, of attracting investments to develop their education sector. Only 21 of these 44 countries have committed to higher education,

with the EU setting limitations on all areas except “consumption abroad” (Knight 2002). That is to say, they would allow non-EU citizens to come to the region to study, but suppliers of educational services of any form are unwelcome.

Knight (2003) updates her analysis a year later. She points out nuances in definitions and usage of terminology by different sectors. For instance, she reveals (page 3) that:

“A review of reports and articles by trade experts reveals that often when they talk about internationalization of education they actually are referring to international trade in education services. When educators talk about internationalization they are talking about a broad range of activities some of which would have absolutely nothing to do with trade”.

She contrasts further the understanding of international trade in education services by noting that for educators ‘trade in education services’ means only those cross-border services they know to have commercial value or the primary purpose of which is to bring in income. On the other hand, for the trade sector and for economists, even where there is no obvious commercial purpose with the transaction, it could still be seen as trade and bear a monetary value. For example, students and lecturers on exchange for short periods.

Knight (2003) also gives insight into the targeted demands for the removal of barriers to trade in services as they affect higher education and also how powerful states, e.g. the USA, while seeking to abolish barriers in other countries, set limitations to protect their own countries

In addition, Knight (2003) gives the rationale for the export and import of educational services and examines the policy implications for states. The rationales identified are:

On the part of exporting nations –

- excess national capacity in higher education
- income generation
- international recognition and branding
- strategic cultural, political, economic and education alliances
- institutional strengthening and innovation
- a tool for further internationalization of domestic institutions

- education as a conduit to access trade in other service sectors.

Why countries import-

- limited domestic capacity to meet growing demand for higher education
- provide greater access to specific knowledge or skill-based education and training
- improve the quality of higher education provision by allowing market access to prestigious/reputable foreign providers
- create cultural or political alliances
- secure trade ties, aid, development projects and funds
- develop human capital and stem 'brain drain'
- foreign competition may improve cost effectiveness in domestic institutions
- imported programs may offer better value than studying abroad.

Knight (2003) concludes that it is national self-interest that is the pre-eminent motivation for trade in educational services. This is especially demonstrated by the fact that nations want to commit less of their own markets than they are asking other countries to open up to their nationals. Judging by the offers and commitments made, and the extent each country is pursuing the matter, some have observed, rightly, that nations want to strengthen the areas in which they are weak and take advantage of the strengths they have in their negotiations.

However, with the elevation of higher education at GATS as a tradable commodity “education is projected more strongly toward the economy [and] [f]or the first time with any generality education has a practice that is able to be sold” and knowledge ceases to have value in itself – what Lyotard (1979) calls “use-value”, but acquires only exchange value. Lyotard (page 4) explains further that:

“the relationship of the suppliers and users of knowledge to the knowledge they supply and use is now tending, and will increasingly tend, to assume the form already taken by the relationship of commodity producers and consumers to the commodities they produce and consume – that is, the form of value. 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”.

GLOBALISATION

Marginson and Considine (2000: 47) define globalisation as follows:

“‘Globalisation’ refers to the growing impact of world systems of finance and economic life, transport, communications and media, language and symbols. It is as much about the cross-global movement of people and ideas as about markets and money, and more about networks than about patterns of commodity trade or off-shore production”.

While this definition captures most of the elements of globalisation, it is yet not specifically related to higher education. Bruch and Barty (1998: 28), citing Sven Caspersen, Vice-chancellor of Aalborg University, define the often interchanged term internationalisation, as:

“influencing the following areas: curriculum, language training, studies/ training abroad, teaching in foreign languages, receiving foreign students, employing foreign staff/ guest teachers, providing teaching materials in foreign languages, and provision for international PhD students”.

Another useful definition to take along, which elaborates the definition of Marginson & Considine (2000), is given by Yang (2005: 22):

“It is generally agreed that globalization is the result of the compression of time and space that has occurred since advanced technology allowed the instantaneous sharing of information around the world, leading to a cross-border flow of ideas, ideologies ... capital and financial services, knowledge and technologies, creating a borderless world economy. It has a material base in capitalism and an ideological genesis in neo-liberalism”.

The globalisation of higher education, as it has always been, is primarily about the exchange of ideas, often but not always, involving the movement of people across borders. This transmission has in the last decade or more become explosive and the expectation is that it would only grow. Education International (2003:5) writes in its report that:

“The exchange of ideas and research across borders has been central to the development of higher education and research...Rather, at issue today is what rules should govern international higher education and in whose interests those rules should operate”.

It posits (page 7) that:

“the globalization of higher education is rooted in a drive towards a globalised and commodified higher education market”.

To illustrate, Bruch and Barty (1998) give two reasons for internationalisation in Britain. Without mincing words, they indicate that the primary reason is to get the cash that foreign students bring to the institution. The other is the hope that international students would give the programmes and services of the institution an inter-cultural character, thus achieving what is termed internationalisation-at-home. If this happens in reality, and to what extent, has not been critically examined. All of this is supported also by the research of Elliot (1998). He explains both the perspective of home students and that of foreign students who come to Britain to study. From Elliot’s analysis can be seen both the geopolitical as well as economic implications of the globalisation of higher education. He writes (page 37):

“Unlike EU students, many of whom study in the UK to improve their English or enjoy a different cultural experience, fee-paying students... will have opted for the UK only after making value for money judgements about comparable ‘products’ in Australia or the USA. Persuading them that the UK represents a ‘better deal’ and sending them home as unofficial ambassadors of their Alma Maters usually has to take priority over considering how their presence can ‘internationalise’ the experience of British students”.

Elliot (1998), however, does not think that in spite of international students accounting for 11% of the student population of Britain, it could be said that higher education in the country is internationalised:

“if that is taken to mean that the curriculum, teaching staff, language of instruction, orientation of research or quality assurance arrangements have been changed specifically to expose the British student population which stays at home to an ‘international’ dimension” (page 37).

Scott (1998b: 126-127) examines both internationalisation and globalisation as representing two different aspects of the interaction between citizens of different nations. He sees internationalisation as representing a world in which nations are independent states, though influenced by “neo-colonial patterns of association, and the geopolitics of great-power rivalry”. In internationalisation, he opines, the stress on

relationships is strategic, even in the sphere of higher education, where the “recruitment of international students, staff exchanges and partnerships between universities in different countries are all conditioned to a great extent by this geopolitical context”. On the other hand, Scott sees globalisation as the “inescapable” end product of the emergence of the knowledge society. In internationalisation “the inequalities between rich North and poor South remain prominent”; but while the competition is mainly between the “great market blocs of the United States, the European Union and east-Asian nations”, there is greater cooperation between North and South in globalisation, through global competitiveness and division of labour. But Sadler (1998: 101) uses control instead of competitiveness:

“Whatever specific characteristics we tend to associate with the concept of ‘globalisation’, it is an expression of ‘new geopolitics’ in which a control over territory is of lesser importance than the control of and access to all kinds of markets, the ability to generate and use knowledge and the capacity to develop new technologies and human resources”.

That view is also held by Lyotard (1979), who, however, sees more worrisome signs for the future in relation to the global transmission of knowledge, geopolitics and competition:

“Knowledge in the form of an informational commodity indispensable to productive power is already, and will continue to be, a major – perhaps *the* major – stake in the worldwide competition for power. It is conceivable that the nation-states will one day fight for control of information, just as they battled in the past for control over territory, and afterwards for control of access to and exploitation of raw materials and cheap labour. A new field is opened for industrial and commercial strategies on the one hand, and political and military strategies on the other” (page 5 – original italics).

Writing under the title *Contemporary Transformations of Time and Space*, Urry (1998) explains the transformation of states from ‘bounded societies’ to the global world and contrasts the two, questioning whether the idea of the social is not at risk of extinction. He talks of the rights, duties and risks of both globalisation and citizenship of a state and gives different conceptual definitions of globalization.

He explains (pages 1-2) that:

“societies are typically presumed to be sovereign social entities with a State at the centre which organises the rights and duties of each member. Most major sets of social relationships are seen as flowing within the territorial boundaries of each society. The State possesses a monopoly of jurisdiction over the territory of the society. It is presumed that especially economies, but also politics, culture, classes, gender and so on, are societally structured. In combination such relations constitute the social structure in terms of which the life chances of each member of that society are organised and regulated. Moreover, through their interdependence with each other, all societies are constituted as self-regulating entities significantly defined by their differences from other societies”.

Urry (1998) postulates that globalization changes the very nature of society. Yet there is a transformation from society to globalization about which “individual nation-states seem relatively powerless to resist and which clearly disrupt a variety of nationally organised structures and programmes” (page 5).

Urry (1998) goes on to give several concepts of the term globalization. The first is globalization as an ideology, which he claims is favoured by “those with interests in promoting worldwide capitalist relations and undermining national identity and the kinds of social democratic project that such identities underlie and authorise”. In the usage of big transnational corporate entities the term global could also be strategically employed, such as is demonstrated by the manner of operation of transnational corporations, who bear no allegiance to the regulations of any one country, governments or labour forces. A third concept is to see globalization as an underlying tactic for mobilisation of resources. Again global may also refer to images employed in political discourse. Organisations that wish to strengthen their appeal may advertise themselves as global and seek to have followership in many countries across the world.

Globalisation involves not just the movement of human beings across borders, but also the rapid transference of information and money as well as technologies. States, Urry opines, “are unable or unwilling to control” such flows.

Subotsky (2003) and Urry (1998) address the force of globalisation on nation-states. They both talk about the powerlessness of states in stemming the destructive transmutational effects of globalisation on the “organised coherence” (Urry 1998) of individual states as well as its inevitability. Urry (page 4) says that globalisation relocates people, not in the certainty of the environments they are familiar with, but in

new networks of “signs, money, information, technologies, machines, waste products, as well as people”. Basing his argument on the ideas of Rose (1996), Urry postulates that:

“with globalization...there is a de-socialisation of especially economic government – a decoupling of economic strength and social welfare, a contradiction between the social and the economic and a more general collapse of the power of the social (page 12)”.

These networks and decoupling effects they have on society appear to be something governments are unwilling or unprepared to arrest.

The reason for this inability to resist is to be understood in the analysis of Subotsky. The first reason is that governments are “positioning [themselves] squarely within the prevailing neoliberal paradigm of deregulated markets and capital flows” (2003: 180). The second is the inability of the left to face-off with the political right, who dismiss any “leftist aspirations and alternatives to globalisation discourses as anachronistic in relation to the hard realities of day-to-day government and the globalising political economy” (page 182). And, lastly, because of the powerful nations behind this drive for borderless markets and the tradability of all services, including higher education, there is “a fear of ostracism from global economic, financial and diplomatic networks if ‘messages’ about the heretic pursuit of such alternatives were broadcast” (page 182). A combination of such elements in the discourse, Subotsky concludes, “changes the possibilities we have for thinking ‘otherwise’ and thus limits the range of our actions” (ibid.)

Yet a more common view is that there is as yet no one in full grasp of what globalisation would or might lead to. Some see it as the bringer of opportunities for development and others see it as removing any protective barriers whatsoever that some nations have and leaving them totally open for exploitation. Some have even used the term “neo-colonialism” without the physical occupation of lands. This dichotomous agitation of the mind on this issue is nicely articulated by Eggins (2003: 8) in her contribution to the discourse on its complexity:

“Globalization is itself a complex force that affects all aspects of our global and national education system. On the one hand is the pull towards co-operation, social cohesion, social harmony, transparency, equity and to enabling greater numbers to participate in HE. On the other hand are the financial issues, the neo-liberal agenda that calls for competition, free trade, the dominance of the market. The flows of

change move first in one direction, then another: equity, inequity; convergence, divergence; change, non-change; inclusion, exclusion; the global, the local”.

EDUCATION AS A PUBLIC OR PRIVATE GOOD

A key contestation in the marketization and commodification of education is whether education is a public or private good. The division over this argument is between those, on the one hand, who want education to be in private hands, to be treated as any other commodity, to be provided for according to demand, and from which to make profit. And those, on the other hand, who see education as a need for all citizens and which the state should provide, so that its acquisition would not depend on whether or not the individual citizen can afford to pay for it. The argument seems always to take as its point of departure the economists’ definition of what a public good is. It appears to be that the intention is first to establish if goods have the qualities of public good in the sense that the economist uses the term, and then anything that does not fit into that definition may be regarded as private goods. In another sense, and this is the sense in which Anton (2000: 9) sees it, everything is assumed to be a saleable commodity unless it meets the test of being a public good. As he puts it, the proponents of the idea “have thought of public goods as those that resist commodification, goods that resist the unspoken commandment: Thou shalt commodify whatever possible, for a good should be presumed a commodity until proven public”. Anton is of the view that, in taking this stance, those who argue for private goods “presuppose the unquestioned results of history and, in that way, beg the questions of political philosophy about the conditions for the legitimacy of markets in the first place”.

Definitions

Anton (2000), Grace (1994) and Tooley (1994) give the definition of public goods. Grace and Tooley identify three conditions that goods must satisfy, in the meaning of the economist, in order to qualify as a public good. The goods must have the characteristics of indivisibility (or non-competitiveness), non-excludability (or non-exclusiveness), and non-positional (also non-depletability or non-rivalrous). Tooley explains that what is sought to be indivisible is the benefit that each user would derive from the good. He takes the general position that education does not meet any of the conditions for being a public good.

Indivisibility or non-competitiveness means that the good can be used by anybody, and that there is no marginal cost associated with an additional person using the good, e.g. a bridge over a river, or an empty railway seat. Tooley (1994) argues that education does not satisfy this condition, since it can easily be seen that if some students enjoy the attention of a good teacher, then some others cannot benefit from her attention. Tooley explains that “Non-rivalness is virtually the same as this, [except] that it is the benefits available to every member of the public which are not reduced, rather than the amount of the good”, which is easy to understand. Yet he goes on to exemplify non-rivalness with some children not having the attention or having less of the attention of a good teacher because some other child has her attention. Firstly, he falls on his own argument that the discourse is not about the quantity of the good but of the benefit. It is possible that a child who has less of the teacher’s attention, presumably, in one lesson, can still derive a lot of benefit from the interaction with the teacher, even in that same period. But the greater error is to reduce the discourse to one classroom and to misinterpret the ‘benefit’ that the student is expected to get from the teacher. The benefit that the child is expected, through education, to get from the teacher is the knowledge that the teacher transmits to him, not the attention. This knowledge is indivisible, irrespective of how many pupils the teacher transmits it to. One might in fact say, as some have wisely argued, it can only improve in value. Furthermore, education should be imagined as the water of the oceans. It is one body of water that runs in all the oceans, seas and creeks all around the world. That people swim in it in Nepal, wash in it in Guatemala and fish in it in Nigeria does not reduce the benefit of the Norwegian who wants to water-ski in it. The benefit that pupils are there to derive in education is knowledge and skills, and the teacher can keep dishing out the benefit to class after class, day after day and cohort after cohort, without it being divided or anyone receiving less of it – all other things being equal, as the economists are wont to say. Anton (2000) says that the example used by Adam Smith was that of a lighthouse, which he said could not exclude any ship from benefiting from its beams. But Anton argues that it was unimaginable in Smith’s days that technology, for instance – he mentions the use of systemic fibres – can be used to bar non-paying ships from benefiting from the beams of a lighthouse. Therefore, he surmises, non-competitiveness is not an inherent quality of public goods since those who wish to commodify a good can find the technology to surmount this obstacle. Also, there may be no marginal cost of an additional person using a good, a seat on the

train, e.g., but that does not mean that there is no financial implication. There is indeed a 'negative' marginal cost. Each unfilled seat on the train is a cost that will appear in the accounting books even as it does not affect the content of the till.

Non-excludability presupposes that no individual can be prevented from enjoying the good. Tooley (1993) again argues that it is clear "a particular child can be excluded from, e.g., a classroom, or refused access to a computer, theatre, cinema or other educational opportunity". Grace (1994) supports this argument. Grace also gives defence as an example where nobody can be excluded, and which is, therefore, a public good. Anton however counters by saying that excludability is political. Anton (2000: 9) writes that:

"Whether this excludability condition is met depends on an agency of enforcement (e.g., a state with a monopoly of force) as well as on the establishment of widespread social discipline, reasonable assumptions of intergenerational continuity, and the current state of technology".

In his opinion, while it may be impossible to exclude people from fishing anywhere in the wide ocean, if protecting a part of the ocean is in the interest of groups within the country and if the state determines that it is beneficial to the nation to prohibit other persons from fishing there, then a political decision would be made to:

"promote the development of exclusion-promoting technologies or patrol its territorial waters with great vigilance. It would certainly crack down on rogue fishermen and their ilk, who don't recognise the new norms, and would most likely teach children to resist the romantic appeal of fish pirates while at the same time they learn to value the heroic protectors of well-ordered sea lanes. Surely, the decision to undertake or not to undertake such policies might reasonably be called political. The labour of several generations of young people could conceivably be politically conscripted, under the banner of national competitiveness through economic efficiency, to labour in the ocean at the task of making fish a private resource. Such privatization is expensive, however, and would have to be paid for by the state".

Beside the expense, the conscription of young people and the enforcement of exclusion on the sea lanes will require a degree of force that only the state can stand to provide. "The state, with its monopoly of violence and definitions of legality, plays a crucial role in both backing and promoting these processes" (Harvey, 2007: 159). This

is one of the roles that neoliberals and all those who desire “the diminution or erasure of various forms of common property rights” want the state to play.

Even when we look at the example of a child being excluded from a classroom as given by Tooley (1994), it can be argued that while being excluded from the classroom may coincide with being excluded from the benefit of a lesson, exclusion from education is actually not the same as being excluded from a lesson or a class, and a child who is excluded from the computer class or mathematics lesson can still receive the benefits of education in these fields. On the other hand, a person cannot enjoy defence if the person is not within the country or geographic area being defended.

Grace (1994) uses non-positional also to differentiate what Tooley (1994) calls non-rivalrous, and defines it as the situation where the value of the good is not determined by its scarcity. Education is said also not to have this intrinsic quality. However, others have argued that education has two levels of value, one being the general advantage that it confers, and the other which derives from its scarcity. For, certainly, the esteem of university-educated people is generally higher than that of those without academic education, and if fewer persons had university education, or a field of specialty, then their esteem is still higher.

Grace (1994) actually wrote in defence of education as a public good. However, he did not make any attempt to counter the arguments of those who say that based on the economist’s definition education does not qualify as a public good. Why he simply accepted that definition is not understandable when there are cogent arguments against it.

On the other hand, Tooley (1994) who set out to vehemently argue for education as private and marketable commodity, saying that it was historically so, and describing the action of states providing education as an intrusive and perhaps unnecessary “intervention” ends up taking a middle course. He shifts the centre of the argument to two new grounds. He argues, like Anton (2000), that technology, and craftiness can always negate the quality of non-excludability, and that people could be excluded or exclude themselves even in the case of defence, for instance, preferring to live in a nuclear-free zone. Thus, he writes, the argument against public goods could have been countered by saying “although schooling is not a public good in [the economist’s sense], neither are many other so-called public goods. There might not be any *pure* public goods” (page 144; italics in original). The second anchor of his argument is that education, while it definitely is not a public good, can be presented as an “externality”.

Economists define externalities as the possibility that the actions taken by one person directly impacts the utility of another. He then explains in relation to education:

“That is, there are likely to be benefits to the community or society at large if there are educational opportunities available, in terms of equality of opportunity, social cohesion, democratic benefits, law and order, economic growth, and so on []. Crucially, these externalities do, in general, exhibit a large degree of non-exclusion (it is possible or it is costly to exclude people from these benefits or costs) and there are usually considerations of non-rivalness or indivisibility – the external benefits or costs are likely to be available to all with zero marginal costs” (1994: 144).

All of this tends to give the argument some degree of malleability. It then begs the question as to whether the argument is raised in order to justify the marketization of education, or whether the marketization of education is being justified with theoretical logic. It is like the chicken and the hen puzzle. A historical perspective to the puzzle is given by Anton (2000). The argument appears to have its roots in when people started to claim private ownership over bits of naturally existing – and to many, common goods. Anton (2000: 14) postulates that “There are no commodities in nature and thus for an item of nature to become a commodity, some social process must have taken place”. He cites the example of Locke (1966) arrogating to himself the ownership of a field, claiming “the grass my horse has bit, the turfs my servant has cut, and the ore I have digged in any place... become my property without the assignation or consent of anybody”. What Locke was doing was no more than taking for his sole benefit and excluding others from what must have been part of land that existed in nature, and which all in that society had until then seen as common to all, or as Harvey (2007: 146) puts it, “enclosing the commons for the benefit of the few”.

Education as Public Good

The notion of public goods has one underpinning premise, that there is ‘community’ or ‘society’ – simply, a group of associating human individuals, with broadly common aspirations and who basically support the welfare of each other. In realising this, they accept that some things, which the individual may not be able solely to provide for herself, or be able to efficiently and regularly do so, should be provided jointly by the entire community for the entire community. This position is made succinct by the formulation of Olssen *et al* (2004: 183):

“A more communitarian approach has attractions for all those who think of society as a community of individuals and who think the well-being and liberty of individuals as in some way dependent upon the good or well-being of society. One argument of recognising the importance of society independently of the individuals which constitute it relates to the fact that there are general interests, social benefits and public goods which cannot be identified with the interests of individuals”.

The theme is not only supported also by Holstrom (2000), but this author goes on to state why public goods do exist. She identifies four characteristics, namely, the satisfaction of the need of one person also satisfies the need for everyone else, most people cannot provide the good for themselves privately, it is easier and better provided centrally, and economic considerations may not matter, e.g. in the case of clean air. Holstrom goes on further to explain public goods as follows:

“There are various kinds of public goods, and several senses in which they may be public goods. But all public goods have certain things in common. Public goods are by definition goods for all or most of us and they can be satisfied for one only if they are satisfied for others. This may be for intrinsic or extrinsic reasons. Public goods are as a matter of empirical fact better than most people could achieve privately. The extent to which this is true varies, depending on what kind of public good it is. A good public education or medical care system provides better education and medical care than most individuals could achieve on their own. Public parks provide what only very wealthy people can provide for themselves” (page 69).

Further support on the communal theme is given by Grace (1994: 130). He stresses not the question of ability, but of the need and benefits of goods provided centrally for the generality of the people in a given community. He expresses the fear that placing education in the private domain and subjugating it to the mechanisms of the market would relegate it to the sphere of “externalities”, the category to which Tooley (1994), for instance, concedes that it might belong. In that case, he writes, “issues to do with education for democracy, facilitating equality of educational opportunities and encouraging moral, social and community values could be undermined”.

But the premise of ‘community’ or ‘society’ does not appeal to the right of the political divide. The British prime minister who introduced neoliberal policies into Britain with her ascendancy to power, Mrs Thatcher, is famously credited with saying

that there is no such thing as society. Peters and Marshall (1996: 25) think that is something that has long been recognised by Marxists as a tenet of capitalist societies. Where ‘community’ exists in a capitalist society, they say, it is to be found “restricted to isolated and fragmented pockets based on kinship and proximity (the local neighbourhood)”. They go on to argue that in a capitalist society the state is not an impartial arbiter between citizens, but an entity with sectional interest; which, “Far from standing above the self-seeking of the market, the state, on the Marxist view, sets the conditions for exploitation by one class of another” (ibid).

The sociological argument is that, as Grace (1994: 135) puts it, education is:

“a democratically provided service for the enhancement of the intellectual and creative potential of all citizens-in-the-making, with a formal commitment that this enhancement process should not be related to the class, race or gender of the student or to his or her ability to pay for it”.

The right to education has also been entrenched in the UN declaration of human rights. Those who argue against education as a private good fear that in the market where education is a commodity “to be produced, packaged, sold, traded, outsourced, franchised and consumed” (Peters & Roberts 1999:100) some would be losers.

Education as a public good, in the opinion of many authors, would reduce inequalities in society and build the foundation for an egalitarian society that is healthy and wealthy. Olssen *et al* (2004) consider it from a human capital model view and Tooley (1994) accedes when he calls it an externality. The human capital model sees the education of the populace as having a direct effect on the productive capability of the society, which impacts the nation’s economic well-being. Olssen *et al* see it, this is a self-feeding situation. Human capital theory sees education and skills acquisition as improving the individual’s knowledge, which then improves their productive capacity. This generally improves their earning capacity, which is a yardstick for human capital. Furthermore, since a private provider of education will only be interested in economic considerations, education as a private good cannot meet some of the needs of society, “including the potential to develop the moral, ethical, social, cultural and political awareness of all citizens, as well as to assist in the effective operation of the democratic process” (2004: 147). In concluding Olssen *et al* advocate a communitarian approach to education, which has something to offer all who accept that society is

made of individuals whose well-being and freedom are dependent on that of the collective.

Developing further the arguments of Holstrom (2000) and Olssen *et al* (2004), Stiglitz (1999) argues that knowledge is a “*global or international public good*”. Stiglitz, Senior Vice President and Chief Economist of the World Bank, advocates that “The international community, through institutions like the World Bank, has a collective responsibility for the creation and dissemination of one global public good – knowledge for development”. He argues that knowledge has the qualities of non-excludability and non-rivalrousness. He recognises that some types of knowledge are impure public goods and exhibit characteristics of rivalrousness and excludability. But he explains that such excludability from this type of knowledge is compensated for by patent rights which last for a number of years. Stiglitz argues further that the knowledge required for development, especially by the developing countries, do not fall into this category and need not be a private good, because they are often just ideas and theories. He explains:

“Most knowledge is a global good: a mathematical theorem is as ‘true’ in Russia as it is in the United States, in Africa as it is in Australia. To be sure, there are some kinds of knowledge which are of value only or mostly to those living in the country, e.g. knowledge particular to a country’s institutions, weather, or even geography. But scientific truths – including many of the propositions of the social sciences – are universal in nature. The problems with which economics deals, such as scarcity, are ubiquitous, and the ‘laws’ of economics are accordingly universally applicable”.

Education as Private Good

The proponents of education as a private good argue basically that there is no reason it cannot be a tradable commodity, since it can be provided conveniently and, they claim, more efficiently by individuals or corporations; since it was historically provided privately until the state decided to intervene, and since education is an excludable, rivalrous and positional good.

Tooley (1994: 150) argues that the state intervened in education “seeing its role as the suppression of dissent and the inculcation of obedience to the established church and the state”. As negative as this may sound, if at the time it was the national objective with state intervention, it could be assumed to have been a ‘necessity’ for the entire society. It was necessary for the state to see to it that young people did not, in the

interest of society as a whole, pass up the opportunity offered them by the clergy to receive an education. Today's interventions are also necessities, which only the state has the capability to enforce, e.g., that there should be compulsory schooling up to a certain age, and that there is a necessity not to exclude sections of the society on the grounds of their economic status, gender or other parameters that a private entrepreneur may use. The imperative is thus what is necessary for the collective, and in achieving that, as those on the left have argued, every individual will also benefit, thus satisfying the right's individual utility maximisation desire. However, as has been pointed out elsewhere in this work, and by numerous contributors to the discourse, the new right and proponents of education as a private good, do not see the state as an enemy. Indeed, while they have accused the state of inefficiency in the management of the education sector, they welcome state intervention. They welcome state intervention not as a neutral arbiter, but as the enforcer that can create the conditions conducive for their unhindered progress at marketization. They do, as Olssen *et al* (2004: 136) reveal, invite state intervention when it suits them, "to minimise market distortions or offset certain dysfunctions".

Tooley (1994) accepts that the market breeds inequities. He claims, however, that equality and inequity cannot be taken literally in this discourse. He seeks to replace equality of educational opportunities with "adequate education". He explains this to mean (page 147) "The 'grounds for distribution' of education would be educational need. Provided that an 'adequate' education was being acquired by all, even extreme inequalities of educational provision would not matter." Arguing against a possible postulation that education is an "impure" public good, Tooley writes:

However, schooling (and the provision of other educational opportunities) is likely to fail to be even an 'impure' public good. For schooling is likely to have a very small exclusion costs or the costs could even be negative, that is, there would be educational benefits from exclusion of certain children. (It could be cheaper to get marginal improvement in an average child if those who lack the appropriate skills and backgrounds are not allowed to retard the progress of the rest) (1994: 144).

Tooley (1994) does not explain what "adequate education" would mean for different individuals. It is presumable, however, that since education would be determined by both resources and purposes, the adequate education that Tooley proposes would mean the 'quantity' and 'quality' of it that can be 'purchased' depending on the bank balance of individual students and their families. Purpose in

itself would depend on who is making the decision. The powerful in the society may decide that the purpose and, therefore, what is 'adequate' education for a person (or group) is enough education for that person to be a domestic servant, a street cleaner, or an engineer or nurse. What if, in that case, the purpose of the individual does not coincide with that of the decision-makers? Yet it is those in Tooley's camp who also argue for customer choice in what education to acquire. This is what has been feared by, among others, Apple (1979), Peters & Marshall (1996) and Peters & Roberts (1999). Tooley's views may have been influenced by his class in Zimbabwe, from where he immigrated to the UK, probably after the fall of Ian Smith's regime. (See, for instance Manzon (2007: 87) on the education system in Apartheid South Africa, which was designed to exclude some groups, and Kubow & Fossum (2003: 111) cited in Manzon). His arguments give credence to the fears of the people on the left, that the purpose of neoliberalism is to deepen the class difference in society, where there would be roles created for perpetual vassals and lords. With those "who lack the appropriate skills and background" eliminated, then the education would become as Cameron (1978: 8) describes it:

an education suitable for free men as contrasted with men who are enslaved, or are preoccupied with getting their bread by hard physical work, or are absorbed in commerce. Liberal education goes with a certain largeness in style of life of teachers and taught, material cares are assumed to be, if not altogether banished, at least not to be too consuming.

Olssen *et al* (2004) attack the neoliberal concept that is based on the notion that the individual is egoistic and seeks only his self-interest, what Holstrom (2000) calls the individual utility maximisation model. Like Holstrom, Peters & Roberts (1996), Olssen *et al* argue that this conception ignores or misinterprets the drives of the individual and the basis of collective action. Peters and Roberts reject the construction of individual need as "almost never supported by an account of what is *necessary*, as opposed to merely *preferred*, for the individual or groups being referred to" (page 45, original italics). Holstrom holds that people do not always prefer to act in personal self-interest. In her opinion, individual utility maximisation model is a parochial account that overlooks the gregarious nature of human beings. She writes (page 84), that:

human beings individuate themselves only in the context of society. The individualist model, indeed the very concept of the isolated individual – arose only at a certain stage in history, in the context of a particular kind of social organisation and connectedness.

There is only one central argument for education as a private good: education can be provided for money, just like any other commodity or service, because the proponents of education as a private good do not appear to have presented more than the disputed (Fitzsimons 2002, Marginson & Considine 2000, Olssen *et al* 2004, Peters and Marshall 1996, Peters and Roberts 1999, etc.) claims of the greater efficiency of the market. Instead, they demand proof of others to show how and why education is not a private good. Their claim is thus given as the one glaring truth about the discourse, which others have to falsify. Marginson and Considine (2000: 62) note this when they write:

When legitimate debate about the best and most efficient means to achieve a diversity of scholarly purposes becomes an orthodoxy regarding ‘one true path’ to greatness we have left the world of discourse and entered the gravitational pull of ideology.

Tooley’s (1994) arguments confirm this theory. In addition, it makes clear the need for education to be provided by the state as a public good. What Tooley proposes can only lead to the situation that Olssen *et al* (2004) have already observed as the effects of the new right agenda for education. The new right agenda, they write, bears with it:

several undesirable effects: they protect privileges; they deny all students equal access to education; they deny all students exposure to alternative perspectives; they limit the community’s progress as a democratic community, and they undermine the basis of its integration, socially and politically (page 208).

Chapter Five

LITERATURE REVIEW – PART III: THE CASE OF SWEDEN

The literature review set out to peruse the extant literature to find out the extent of coverage of the area of research interest and to see if there are any new and meaningful contributions that can be made. The focus of the research is on the possibility of entrepreneurial education in the welfare state of Sweden. In order to determine this, an close study of the literature specifically related to the transformation of higher education in Sweden is called for. Here, with particular reference to Swedish universities as a system those factors that have been identified as the characteristics of entrepreneurial universities and the drivers of educational entrepreneurialism would be examined. Here the works of Askling (2001), Bauer *et al* (1999), Sörlin (1996), Strömholm (1994) and the various reports commissioned and published by the National Agency for Higher Education (Högskoleverket) form the major collection of literature.

HIGHER EDUCATION REFORMS IN SWEDEN

Sörlin (1996) recalls that in *University Reform*, published in 1945, the author “gave a gloomy picture of Swedish academic life”. Swedish academic institutions were “unwieldy, bureaucratic, they had not understood the importance of a supporting professional infrastructure, they were very small and thereby immature to take on the big, really challenging projects” (page 11).

Sörlin (1996) accounts for this difference by explaining that Sweden was after the Second World War, a closed society:

50 years ago the politicians were quite sure of themselves that the investments in knowledge paid itself within the country’s own borders. Swedish companies were essentially working in Sweden. Innovations that came out of research could be expected to give rise to production and new jobs here at home. Profits and capital were reinvested here, it was rare that it floated abroad on a large scale (page 13).

This certainty on the part of policy-makers may have its roots in what both Sörlin (1996) and Strömholm (1994) describe as “unique Swedish situations”. According to Sörlin, there is “a particular introversion with, and sometimes too much emphasis on the Swedish situation” (1996: 11). Two such unique characteristics are a small

population with “strong homogeneous traditions in many important areas” and the fact that the country is one with limited resources that consequently lacks the possibilities open to a large country with more resources. Another is the “long tradition of close relations between the state (and the church and the public) and the schools” (Bauer *et al* 1999: 45).

Sörilin (1996:37) also justifies that inward look, explaining that it was common before WWII for all countries to look inward, to regard university education as education for “professionalized and specialised labour markets in each country”. The mobility of intellectuals that characterised earlier epochs in Europe had by this time diminished and co-operation due to the need for large investments in equipment, e.g., was a phenomenon that was still to come in the future. Universities in Sweden were governmental authorities, just like any other and the staff of universities were civil servants. A further reason, also not peculiar to Sweden, is that innovations at this period were rarely made as a result of conscious research effort, advancements in science and technology were not easily connected to research he claims. Sweden depended on its advanced handwork-based means of production, its natural resources and what was called “genius industries”.

A further explanation Sörilin (1996) gives for the inward focus of the educational system is that:

When science [research] eventually, after the Second World War, was recognised as an important productive force, this political awakening occurred first in the central political context, the territorial states. Science was mobilised, sharply expressed, as a weapon in the peaceful competition between the nations and with the aim of achieving economic and social development in their own country. In Sweden the modern organisation of research, among others, the research councils, came about as a result of this view of the role of science (page 37).

But Sörilin (1996) also reveals that decision-makers took note of the criticisms contained in *University Reform*, which accounts for the difference in the situation today – an era of massive investments in tertiary education and research, with emphasis on research and higher education as an engine for economic and national development. Additionally, it is recognised that this is no longer dependent on the capabilities of individual nations. Some of the reasons for the change in the Swedish attitude, according to Sörilin (1996: 38), are:

- Co-operation at large establishments is now common. Swedish researchers take part in several international projects.
- The labour market is internationalised, especially in those areas where dependence on context is little. Specialised work assignments within the natural sciences belong to this group, as well as the accounting and computer professions.
- The authority character of the universities is diminishing. The reforms in the higher education and research system have led to the universities being freer to determine degrees and programmes by themselves.
- Innovations are now often research-based, especially in the expansive areas of business and pharmaceuticals, computers and telecommunications.
- Research-based innovations no longer occur in national situations. There is a growing realisation that the classical chain of research-innovation-production is partly shorter (the so-called lead times diminish), partly that it can no longer be expected to occur locally or even within a territorial state.

Reform of the system of tertiary education in a country could be said to be a continuous process of little changes. Such marginal changes may not be noticed. Reforms are noticed when there is major structural change, perhaps initiated by, or driven by a super-ordinate political authority. Bauer *et al* (1999) posit that this has been true of universities for centuries:

Throughout the centuries, universities have survived by transforming themselves under the impact of extrinsic pressures and intrinsic virtues, and thereby succeeded in keeping their position as the major higher education institutions and the center for developing and transmitting advanced knowledge (page 13).

In their discussion of the major reforms of Swedish higher education, Bauer *et al* (1999) apply two definitions of the term. The first is that reform is the setting of “a complex of goals” with an indication of the means of achieving the goals, while the second definition sees reforms as a “link or part in a more comprehensive social and political process of change”.

Change is always for a purpose. Bauer *et al* (1999) examine the transformation of the Swedish university system by looking at changes in the purpose of higher education and the distribution of power in the processes of change, both at the national and institutional levels.

Changes in higher education governance are influenced by a frame factor – externally set limitations on actions; arenas of policy formulation and policy realisation

– the concept that there are different arenas for policy formulation and implementation, having different philosophies and approaches that impact it; space of action and related autonomy – this is the relationship between the actors’ degree of autonomy and the ability of individual actors to fully utilise or fail to utilise the formal freedom of action or authority that they are given.

Bauer *et al* (1999) consequently conceptualise changes in the higher education system at three levels: macro (national/policy-making); *meso* (institutional /governance) and micro (individual /operational). This thesis focuses on the macro and *meso* for answers. At the macro level, there are two discernible paths that policy may follow: one is what is desirable and the other is what is preferred. Discussing the two options, under the logic of “appropriateness” and actor “preference-driven”, the authors highlight the influence that political decision-makers exert on policy formulation and policy implementation. Following a dissection of the higher education policies and reforms under both the Social Democrats and the Conservatives (Moderaterna) governments they conclude that policy formulation and implementation in Sweden has more often followed the path of actor-preference even though some actions, e.g., the move toward the ‘knowledge society’, are based on the logic of appropriateness.

Bauer *et al* (1999) give support to Sörlin (1996), that the universities produced specialised and professionalized manpower. They view the system historically from the fifteenth century, when the universities assumed the responsibility:

for training almost all kinds of higher civil servants in accordance with a fairly strict degree system, which reflected the demands of the national state and its schools, church, and judicial system (page 45).

Bauer *et al* (1999) also confirm that the university was treated as part of the civil service and dictated to by the state in matters concerning the recruitment of teachers, and the positions of professors were filled by state appointees. The universities had no autonomy whatsoever. But Bauer *et al* admit that the rules and regulations governing the institutions, while laid out by the government, usually had their origins in “long and respectful negotiations between the government and the professors”. But despite the subordination of the educational institutions to minute state control and the fact that most academic studies were aimed at producing professionals that would most likely work for the state, “the academic world was closed, restricted and dominated by the

academic professoriate”. Accordingly, the “goals and content of undergraduate education were self-evidently set by the academics themselves” (page 46).

The literature discusses two major reforms, the reforms of 1977 (H-77), under the Social Democratic government and the reforms of 1993 (H-93), under the Conservative (Moderaterna) government. However, Bauer *et al* (1999: 49) mention also the reform of 1966, when the government set up a commission with “the sole task of restructuring all undergraduate education in a comprehensive system of national study lines”. The ‘study lines’ matched the professional or craft training outside the university system, so that instead of studying within a discipline, one could choose courses that led to a professional qualification. The authors consider it significant that all the members of the commission were civil servants, a change from previous approaches to systematic reform, where the government consulted long and hard with the professors before coming up with decisions. It signified greater control over the universities by the government.

The 1966 reforms strengthened the uniformity in the structure of the tertiary education system (Sörlin 1996, Strömholm 1994) whereby, “through legislation, regulations and curricula, the state issued detailed instructions and rules on educational activities and on the spending of state funding”, Askling (2001:200). This disposition to organise higher education as a “unitary system”, according to her, is still much favoured in Sweden. The proponents of the liberalisation of the system see this uniformity as a disadvantage while others argue for it on the basis of its historical merits. Strömholm (1994), for instance, argues that it is the nature of the Swedish society that a certain degree of uniformity between various institutions is inevitable. He argues further, that:

There is a too often forgotten reason for maintaining a somewhat well-developed and nationally common framework around the university, its structure, organisation and work. Today’s decentralisation mood and liberalisation appears often to fail to recognise the civilising contribution, the decisive raising of standard, that the legislative and organisational work at the obviously so hated and central national level has made and makes. In our poor and sparsely populated country “the nation” is a heroic victory over poverty, division and distance, which only the ignorant mocks.

A national framework does not represent only a common, and already valuable, standard: it also means an obvious good work organisation, and a good use of scarce

resources, that each vice-chancellor will not write up their *own* regulations, maybe different from the neighbour's.

National regulations mean in addition – and an enforcing organ, that stands a step above the concerned interest – guarantees for objectivity, which here has its given value but which is not easy to reach at the local level (pages 144-145).

THE 1977 REFORMS

One remarkable element of the 1977 reforms was the collapsing of the prestige barriers of the university by a redefinition of what 'higher education' meant. In this redefinition, all post-secondary education was brought under one higher education ordinance, generally referred to as 'Högskolan' and treated as education of the same level (Bauer *et al*, 1999; Högskoleverket 2003; Tengner 2003, Högskoleverket 2006). In addition, the universities took on the vocational programmes that were previously offered in specialised institutions, e.g. nursing and teachers' education.

Control of universities was still firmly in the hands of the government. The parliament introduced two new means of control called the '*numerus clausus*' principle and the 25:4 rule. By the *numerus clausus* principle the government decided for each university how many students to admit into each academic/professional programme, and thus for the entire country. By this method the number of each professional group produced by the universities each year was limited. The decision as to numbers was based on the expectations of the needs of the labour market for the particular profession or academic education, or politically defined needs (Bauer *et al* 1999; Tengner 2003).

By the 25:4 rule anyone who was twenty-five years of age and had four years work experience was deemed to have the qualifications for entry into a university, so long as the person satisfied the basic requirement in the Swedish language and English. Furthermore, the individual universities did not have much say in the selection of their future students as there was a central admissions body which allocated to the universities students that it deemed to have satisfied its own requirements. The 25:4 rule was intended to get more people, especially from working-class families, into higher education (Bauer *et al* 1999).

The *numerus clausus* principle has been criticised for drastically reducing the number of graduates in the labour force of Sweden in comparison with other OECD countries. Also, in a proposal for reforms in 1992 (page 3), the Ministry of Education

and Science claimed that the 1977 reforms had been criticised by both academics and students for “the fixed educational programmes... in which the course material emphasised the width rather than the depth of the fields of study”. There was also the question of whether, in the first place, the government should plan higher education for the institutions in such detail.

Summarising the experience of the 1977 reforms Bauer *et al* (1999: 55) say:

...the reform in 1977 created a higher education system marked by several contradictory characteristics: It was first of all, a strange combination of restricted admissions and mass education. Second, it created a new organization of centrally-designed vocational study lines in the faculties of humanities, social sciences and natural sciences (within the other faculties the traditional professional line structure remained) in combination with decentralization measures aimed at supporting local innovation and change within this uniform system. Further, there was a plea to remain true to Humboldtian ideals of research connected to undergraduate education while most institutions were denied permanent funding for research and, additionally, deliberately developing towards sectorial and mainly applied research. The vocational orientation reflected the old tradition where the higher educational system was sensitive to the needs of the state and the state apparatus, including the urgent needs of the politicians at that time, to establish an extensive public sector rather than to the needs of the private sector to get qualified personnel.

THE 1993 REFORMS

The 1993 reforms were the work of the Conservative government that came into power in the autumn of 1991. Askling (2001) states that it introduced a revolutionary decentralisation of decision-making that gave the universities the power to plan and produce their own curricula for programmes/ courses and to administer themselves. This is not to say that the government no longer had control over the universities, for as Askling and Bauer *et al* (1999) point out, control switched from pre-planning and detailed regulation to “state governance through control of outcomes”.

The ideological grounds for the changes contained in the 1993 reforms were published in the statement by the Ministry of Education and Science in March 1992:

A society which appreciates pluralism and is aware of the risks implicit in the power of an all-embracing state must protect the counterbalancing forces. Free universities and university colleges belong to these forces (1992: 1).

The purpose of the reforms and its direction are to facilitate the movement of Sweden from an industrial to a knowledge society. So the other reason for the reforms was, according to the Minister, of a qualitative nature:

Universities and university colleges, which are independent, possess the best possibilities of providing education of the highest quality. Advanced development of knowledge requires freedom, independence and competition (1992: 3).

The universities' attention was drawn to the issues of choice, competition, accountability and rewards. Universities were encouraged to differentiate themselves through their performance in order to attract the best students. The government proposed also to introduce financial allocation that would be a reward system for high performance. The Ministry stated:

Universities and university colleges possessing greater independence must be assured such working conditions that the competition between them becomes vital. Freedom without incentives for creative competition could otherwise run the risk of leading to the opposite of good results (1992: 3).

Competition would also assure quality in the standard of education and research to serve as a competitive instrument on the international scene. The Ministry of Education states that 'good' is not good enough, due to the country's paucity in population and its location on the outpost of the world. The striving must be towards excellence. The way this would be achieved is envisioned by the Ministry of Education and Science:

Our way of achieving this objective must be through organisational pluralism, powerful incentives to think in terms of quality, stimulation of individual acceptance of responsibility and leadership, as well as the efficient utilisation of material resources. Swedish university degrees shall be regarded internationally competitive. The students' choices must be able to affect the growth and profiles of the universities and university colleges (1992: 4).

With this reform, the government withdrew itself to the background, with the task of only making over-arching laws, while the universities made their decisions and managed their organisation. For instance, instead of the previous detailed planning by the government of what courses to run and how many students to admit for each

programme, the new ordinance merely stipulated the types of degrees that universities were allowed to offer. The institutions themselves decided what courses to create and offer, and the students were given the choice of institutions where their aspirations would best be satisfied (Högskoleverket 2006).

In true Conservative norm, there was great emphasis on evaluation and checks. Askling (2001: 201) states this ideological impact on the reforms:

When the new higher education policy was formulated by the Conservative government in the early 1990s, the ideological impact of New Public Management (and the corporate enterprise model) was evident. Focus was on evaluation and control (of quality and efficiency), competition among institutions and demands on strong institutional leadership.

Once the 1993 reforms came into force, tertiary institutions could establish their own professorships and make the appointments. The reforms also barred lecturers that did not possess doctorate degrees (except in the field of Arts and other creative fields) to be employed at universities, probably as a way of assuring quality or higher standard of education. The freedom espoused by the 1993 reforms was so far-reaching that it allowed for private universities and research institutions. Willing entrepreneurs could establish their own universities and the leadership of existing institutions would be supported with public funds to run their institutions as private foundations (Bauer *et al* 1999). Bauer *et al* mean that the government was very eager to have different kinds of universities. This is perhaps what the Ministry of Education refers to as 'organisational pluralism'.

The organisational structure of the national agencies concerned with tertiary education was also streamlined, as Tengner (2003) points out. In 1995, though under the succeeding socialist government, a National Agency for Higher Education was set up, having the responsibility for evaluation, assessment, development, research and analysis of higher education, as well as comparisons with foreign higher education. Admission is still centrally done by the National Admissions Office to Higher Education, but now a percentage of the admissions is at the discretion of the individual universities.

The National Agency for Higher Education (Högskoleverket) is favourably looked upon by the universities. In their final evaluation report published in 2005, the International Advisory Board on higher education notes that despite its formal

authority for evaluation and control, the Högskoleverket works more as a co-operative learning partner with the universities. The Advisory Board also remarks that the institutions have realised that they could talk openly with the agency and expect no censorship or threats to their budgets. This has resulted from the mutual understanding that the Högskoleverket “in most cases aims at creating an environment and institutional culture that allows the institution to learn more about its own operations, its own successes and relative failures”. This is yet another of the unique Swedish characteristics, which as the board observes, “stands in marked contrast with the relationship between governmental evaluation agencies and institutions of higher learning in other countries” (Högskoleverket 2005).

Autonomy and Governance

Contrasting the periods before and after the 1993 reforms, it can be seen that the type of governance at universities in Sweden is determined by the amount of autonomy the institutions have. In other words, how much freedom the government gives them. The two major reforms of 1977 and 1993 reveal the ideological steering of social policy, especially as it concerns higher education. This discernibly defines the purpose that education, and especially higher education, is to serve in the country.

Bauer *et al* (1999) typify purpose and authority as two axes, where the vertical axis represents the sharing of authority between the government and the individual institution (or the tertiary education system). This authority would be a continuum between centralised (state control) and decentralised authority (autonomy). The horizontal axis is a reflection of what the state thinks is the purpose of higher education. This axis is also a continuum, from cultural to utilitarian values. The authors posit that:

cultural values would emphasise the disinterested pursuit of knowledge, given the understanding that in such pursuit, the goals of society are best met in the long run. Utilitarian values would, on the other hand, emphasise socially determined goals (page 73).

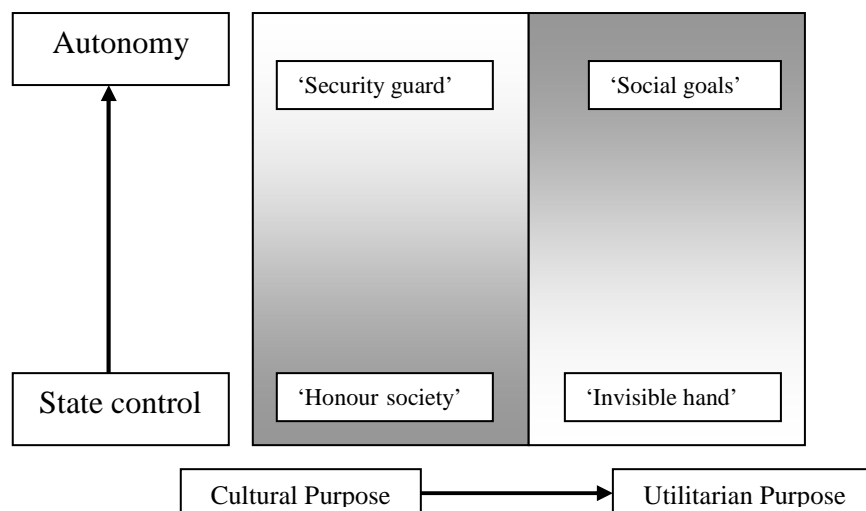


Figure 1: Authority and Purpose of Higher Education
 Source: Bauer *et al* (1999) (modified)

Prior to 1993, simply stated, the purpose of higher education was solely to satisfy the nation’s need for a limited amount of specialised and professionalized classes. The universities produced graduates mainly in the social sciences to work for the state; colleges produced teachers or nurses. As Sörlin (1996) postulates, then innovation and technological advancement was not dependent on conscious research effort. National needs were the paramount considerations in planning education, with the knowledge that all the ‘products’ of higher education would be consumed at home, to cover critical domestic demands. Thus, in a country where everything else was centrally planned, the universities were also seen just as other departments of the state, education was seen as one other service that had to be planned for (Strömholm 1994; Sörlin 1996; Bauer *et al* 1999; Askling 2001).

Thus, the most important purpose of education was to feed the domestic market. The 1977 reforms widened the ‘study lines’ to five, all of them based on considerations for the requirements of the labour market. Bauer *et al* (1999:81) quote the then Minister of Education as declaring that “all study lines in [the] faculties will contain elements of work preparation”. There were, in addition, the necessity for “plans for the student capacity under different study lines [to] be better adjusted to the opportunities on the job market which are predicted for a particular education”. In line with this purpose, each study line within the university had a committee, on which representatives of the labour market sat, as a means of providing “a meaningful connection to the area in which the students expect to be participating (Gov. Prop. 1975:9, p. 518)”. Perhaps the clearest view of the purpose of higher education at this time is gleaned from the comments on the proposed reforms in the early 1970s by the

largest blue-collar umbrella organisation, *Landsorganisationen* (LO), cited in Bauer *et al* (page 112). Tertiary education institutions:

must, like the other parts of the educational system in general, be an instrument which supports a more equal distribution of economic, social, and cultural values and a wider development of democracy...the universities [should] develop to a greater extent than before contacts with *arbetslivet* {working life} in [the] planning and prioritisation of research as well as in the form and content for teaching.

To achieve this, then, the management of the institution must reflect the close relationship between it and the labour market/industry primarily and the society in general. It cannot be an isolated academic institution, pursuing cultural instead of utilitarian values. It was, therefore, understandable that there was central planning of higher education, in detail, by the state.

It must be noted, however, that despite the state making detailed plans for the institutions, there is usually a considerable process of consultations before decisions are made. Bauer *et al* (1999: 109) call this 'social corporatism' and claim that this approach has been a feature of policy-making in Sweden since the 1940s:

Structured consultation and corporate representation... were an established part of this policy-making style. During the late 1960s and 1970s, this corporatist style mainly dominated higher education policy-making as well... and helped ensure that the function of the system would be the satisfaction of politically defined welfare goals.

The socialist ideology in the 1970s – 80s stressed connection to the job market, but this was not with the intention that the universities should provide education as a service sellable as a commodity. This was rather for the purposes of making higher education useful to society and for economic development and equality. Whether this was a conscious application of human capital theory or not, it is obvious that the intention is to empower the individual citizen to be a productive member of the community and thereby contribute to the development of the society in general.

The 1993 reforms promised freedom for excellence. This meant devolution of power to the institutions themselves. Each individual university was statutorily given the power to pursue its own course, within the nationally set objectives. One obvious objective was international competition, both in terms of the quality of the education and research within the Swedish higher education system compared to others, and the

fact that the labour market was now international. According to the Ministry of Education and Science (1992) competitiveness and development would come about only through advanced development of knowledge, which would be impossible without freedom.

Devolution of authority, or independence for the universities meant, as Askling (2001: 201) puts it:

The state has retired (although not always in a predictable manner) from being the monolithic commissioner, planner, provider, and protector of the higher education system, its institutions and its members.

With this devolution, Swedish universities begin to experience the characteristics that Clark (1998) has identified as the pathways to institutional transformation. There is executive leadership, enlarged peripheral administrations to support the central administration, there is a broadened resource base, and there is the stimulated academic heartland. There is also, broadly speaking, what Knight (2002) calls 'terminology creep', where the normal educational jargon begins to be replaced by business terms, introducing marketization into people's consciousness. Students are referred to as 'customers', there is talk of 'demand' and 'choice'.

Executive Power

The 1993 reforms put the vice-chancellor firmly as the chief executive over the academic and administrative management of the university. He/she sits on the governing board, the majority of whom are from outside the university and appointed by the government (Higher Education Ordinance 1993; Bauer *et al* 1999; Askling 2001). According to Askling (2001), this executive power has not been unproblematic, because it is an unusual phenomenon within the Swedish higher education system: (page 206):

Previously, at the universities, the ideal university leader was a collegial co-ordinator who was elected by his (and more seldom her) colleagues. The leader could claim authority in accordance with the tradition of *primus inter pares* and in the capacity of a member of a community of academics.

Collegiality had broken down even within the university in matters of appointments at departmental levels. Today, it is not enough to be a good or reputable

academic, leadership and management skills are required for internal appointments. Priority is given to personal qualities over seniority. Again, Askling (2001) puts it plainly:

The internal hierarchy, based on scholarly reputation, is being replaced by a more unofficial institutional hierarchy based on a personal reputation as a dynamic and successful research manager (page 206).

This new phenomenon is not confined to the educational institutions alone. Bauer *et al* (1999: 70) cite a study on *Democracy and Power in Sweden* which concludes that the importance of consultation is diminishing, while there is “expansion of lobbying and opinion building by various societal actors, the growth in direct forms of influence/contacts...”

Strengthened Steering Core

In entrepreneurial institutions elsewhere, one feature has been the collection of a managerial core around the vice-chancellor, to support and sustain his executive leadership. Often, these people are professional managers employed from outside the university and are more concerned with financial management than the educational and research purposes of the university (Clark 1998, Shattock 2003, Marginson & Considine 2000). Bauer *et al* (1999) and Askling (2001) note that even in Sweden the vice-chancellors have tackled the increased managerial responsibilities by building an administrative core around their offices. Bauer *et al* (page 172) write:

The vice-chancellor is dependent on the capacity, competence and willingness of the academics to take an active part in the renewal of programs and courses, in the preparation of research proposals, in the creation of new centres and in the management of extensive research projects. The vice-chancellor is, thus, dependent on the loyalty of the deans, the heads of departments and the academics. The vice-chancellor is also, as a manager, dependent on a qualified staff of administrators in order to undertake investigations, and prepare background materials.

Vice-chancellors have resorted, in some cases, to appointing deputy vice-chancellors or forming advisory groups. In some cases, says Askling (2001), vice-chancellors have created “special support units (teaching/learning centres, research policy centres, quality development centres, centres for external affairs), often staffed

with highly specialised academics” (page 207). Many of these appointees hold these positions in addition to their normal academic jobs and stay within their departments. They thus create broader areas of contact between the central management and the faculties or departments.

In this way also, the academic disciplinary structures are not diminished in importance. Askling (2001) argues that this willingness on the part of academics to become “manager academics” and take on much increased managerial functions has blurred the boundaries between administrators and academics. The congenial attitude on the part of Swedish vice-chancellors in the exercise of (or rather, in the refusal to exercise business-type) executive power, even though statutorily empowered to do so contrasts markedly with the attitude reported in the case of Australia in Marginson & Considine (2000) or Clark (1998).

Internal Devolution

Bauer *et al* (1999) and Askling (2001) write that there was initial confusion within institutions as to how power would be devolved to the units. They identify three models of devolution, which they describe as hierarchical, federal and triangular. These models reflect different approaches to power-sharing within the university, between the vice-chancellor’s office and the faculties and departments.

In the hierarchical model there is one straight line of authority and information and resources flow downward or upwards. However, it is argued that in an era when the institutions managed their own resources and are expected to also earn money from non-governmental sources, this created disaffection as the faculties, e.g. business and medicine, which earned better than others felt they were being short-changed. As a means of quelling such disaffection the central management reacted by giving each faculty or school a wide degree of autonomy. The result was that some faculties assumed more powers than they were given (Askling 2001). In the federal model of institutional governance each faculty or school was administered as an independent part of the university. The shortcoming of this model, identified by Askling, is that the vice-chancellor was too far removed from them to have the kind of close overview or exert the kind of authority that was demanded by his new role as chief executive. The triangular model places the vice-chancellor in the middle in relation to all the faculties and departments. It goes two-steps down. From the central position the vice-chancellor could consult directly with the faculty head or the departmental head.

Another aspect of internal devolution has to do with consolidation and inter-disciplinary co-operation. Bauer *et al* (1999) observe within the Swedish tertiary education system that larger departments/ faculties have been created at most universities and colleges since autonomy was given. Related courses/ programmes have been merged. They however note remarkable variations, both within different faculties within the same institution and between institutions. They report that between two medium-sized universities the number of departments was 130 in one and only 18 in the other.

THE 2005 RESEARCH BILL

In March 2005 the government, under the Social Democratic Party, submitted a research bill to the parliament. It was subtitled *Research for a Better Life*. While research policy is reviewed and approved every mandate period, this bill was outstanding in the significant “permanent increase” to the allocation for research that was proposed: 2.35 billion Swedish crowns over the three years up to 2008, and the focus on applied research, with special emphasis on the areas of medical research, technology, as well as such areas as design and gender research. It is also proposed to put emphasis on research to support sustainable development. 521 million of this money will go directly to universities over the three years, while the rest goes to research institutions, foundations and research funding bodies. Perhaps more crucially, the bill emphasises the commercialisation of research findings and proposes the setting up of structures within universities to carry out this. Educational institutions are urged to “prepare action plans for commercialisation and technology transfer” (Ministry of Education 2005:2). In October 2006 the new government under the Moderaterna Samlingsparti announced the allocation of an additional one billion crowns for research in its first budget. The money will be spread over 2007 to 2009 (*Svenska Dagbladet*, 16 Oct. 2006).

A wide spectrum of institutions and interest groups concerned with research, industry and development contributed to the content of the bill. Universities, research funding bodies, the Swedish National Innovation System (Vinnova), foundations, trusts, academies and other interest groups were asked to submit research and knowledge strategies.

The philosophy behind the proposal is stated as follows (Ministry of Education, page 7):

Research contributes to development and renewal, strengthens economic growth, increases the understanding and co-operation with people in other countries and improves the citizens' possibilities to live a good life... Research advances the democratic society through favouring critical questioning and supports freedom of thought and expression... In times of fast technological development, increased globalization and widespread cultural contacts research is needed to find the answers to new questions that the development gives rise to. Research also fulfils an important function in educating competent and creative people with advanced specialised knowledge that can raise the competence in the working life.

The reasons for emphasising research are of course not new, more a reiteration of the same views that have been the foundation for research allocations for years. There is also the ambition for Sweden to continue to be in the forefront of the most advanced research nations in the world. The new coalition Minister of Education, Lars Leijonborg, was quoted as saying that "To more often win the competition of the best researchers, so that Swedes would stay and foreigners move here, this type of allocation is important" (*Svenska Dagbladet*, 16 Oct. 2006).

The major intention of this bill is to focus attention on applied research as opposed to blue skies research. The government makes it clear, however, that the intention is not to shift from one to the other, but that the two should be jointly carried out with equal vigour. The overriding intention with applied research is that research results have to be commercialised. The government intends to support this financially as well as statutorily by removing obstacles to commercialisation of research results by universities. Part of the action with regard to the earlier is the extra allocation for research and research education, the allocation of funds for improved research infrastructure and the financing of research centres or institutes. The 2005 research bill urges the universities to prepare action plans for commercialisation that:

create professional and sustainable structures with both researchers and outside actors as well as financiers, holding companies, technology bridge foundations, etc. (page 13).

A detailed explanation of this involvement of external actors, holding companies and financiers, with the internal structures that need to be set up both to co-ordinate the work as well as help the universities' researchers with such issues as patent

registration, company registration and preparation of business plans falls in line with the “expanded periphery” of Clark (1998), Sporn (2003) and Shattock (2003).

One statutory obstacle to commercialisation of research results at Swedish universities is the ownership question. There is what is called the “teacher exemption” (*lärarundantaget*), which gives ownership and patent right of research results to the individual researchers or research groups. The government proposes to remove this exception. The intention is to find ways to eliminate the ignorance or the lack of finance and interest on the part of researchers to commercial research results, and to utilise the financial benefits that would come from commercialisation of such results. There is however strong opposition to its removal, so the government has instituted a study to come up with ways of renegotiating it and to come up with a system that would benefit both the researcher and the university.

FUNDING

From Warwick in the United Kingdom to Joensuu in Finland, Clark (1998) found that the major driving force for universities becoming entrepreneurial is the shortage of funds. This shortage, and the threat the universities felt that governments of rightist influence would make the shortage more acute, made them look for ways to broaden their sources of funds. They all turned, as Clark and Shattock (2003) appear to advise is the only sensible thing to do, entrepreneurial, focusing on making money, investing and reinvesting and building up reserves; they became education businesses. The exception in the five universities that Clark studied, in the matter of funding shortage, was Chalmers of Sweden. While the others were pushed by dire conditions to look for innovative ways of solving their problem, Chalmers appeared in the first instance to have become entrepreneurial because of an innovative spirit or a spirit of independence and took advantage of an opportunity presented by the Conservative government (Moderaterna) in the early 1990s. It would be argued that Chalmers is enterprising rather than entrepreneurial (See Chapter Three). This is discussed further in Chapter Ten.

In considering the funding situation within the Swedish higher education system, the examination has to be made of the total funding regime for universities. This covers the statutory allocations, research grants (even those from government research funding bodies), as well as financial aid to assist students to study.

Student Aid

The Swedish Higher Education Ordinance (1993) states succinctly in Article 1, paragraph 10: “Education at the universities shall be free of charge for the students.” It has always been so and still remains so, and this has been echoed by, among others, Högskoleverket (1996), Bauer *et al* (1999), Högskoleverket (2003), and Tengner (2003). “It should be noted that foreign students don’t pay tuition fees in Sweden”, states the National Agency for Higher Education, Högskoleverket (1996:36; 2005b:20). This is in contrast to countries like the UK and the United States, where home students pay tuition fees and foreigners pay as high as three times or more.

In addition to this “a fundamental principle in Swedish higher education is that all students who need help to finance their studies should receive assistance from the central government for this purpose” (Högskoleverket 1996:10). This assistance is almost automatic and is administered by an independent government agency – *Centralstudiestödsnämnden* (CSN). It is to cover cost of living. Support can be received in full up to the age of forty; but after forty, it tapers down until the age of 51, from which no study support is given. The study assistance is of two parts, a loan and grant. The grant, which is free, is about 30% of the sum approved. The loan has to be repaid, with not more than 5% of annual income when the recipient begins to work. The interest on the loan is fixed at 70% of the central bank lending rate (Högskoleverket 1996; 2003).

Funding For University Operations

Undergraduate education and research education (PhD courses) are fully financed by the government. Government financing includes funds from the central, regional and local governments (Högskoleverket 1996; Bauer *et al* 1999). Bauer *et al* narrate that funding has never been regarded as a problem in Swedish higher education. As far back as 1958 universities received per head funding for the number of students that were admitted. Following the reforms of 1977 there was an explosion in admissions. At the foremost universities the increase was close to 50%. With this increase in student numbers the institutions received additional funds from the government and experienced no shortage of funds.

The 1993 reforms linked funding to through-put, so that per capita funding was given for the number of students who completed their programmes and took their degrees. Apart from this, universities generally rejected the Conservatives’ plan to

introduce performance indicators and a performance-related funding regime. Even with this through-put, a funding surplus rather than shortage, in the absence of additional funds, was revealed, Bauer *et al* (1999: 151):

...the expansion in student numbers has been cheap for the state. Almost all institutions allowed for a certain number of drop-outs among the students and, therefore, they admitted more students than the corresponding funding allowed for. This was done to avoid not reaching the predetermined number of exams [degrees] contracted by the funding estimate. Over the three-year period, every institution, with just a few exceptions, made a small 'over production'. When the figures were finally available and the total 'over production' was summed, it became evident that the institutions had offered study places to about 40,000 students without claiming corresponding resources. This is the same as saying that they have offered teaching which, if regularly financed, corresponds to 537 million Swedish Kronor. Thus, with regard to the three-year contracts, one could say that the higher education system at large provided, without any extra funding, education equivalent to that of one university for one year.

This 'overproduction' has subsisted since 1993. Högskoleverket (2006:39) reveals in its account of this overproduction that it was as high as five percent of the financed ceiling in 2004, but fell to just under two percent in 2005.

It means that in the same decades that universities in other countries were having serious financial difficulties, Swedish universities had buffers enough to be able to take on additional burdens without feeling any pinch. For this allocation of funds, the universities have three-year contracts to produce graduates. The allocation per student is dependent on the faculty. The same amount of money was given irrespective of university or the type of tertiary institution (Högskoleverket 1996; 2003). An example of the figures involved for various courses is given in Högskoleverket (2003: 18) for the budget year 2002:

Compensation to universities per capita in the fiscal year 2002 for full-time students who complete their courses on schedule varies between 20,098 kronor for the humanities, theology, law and the social sciences and 383,627 kronor for operatic training. Per capita compensation in the fields of technology and the natural sciences is 73,530 kronor, and in medicine 108,462 kronor per student.

Sweden, thus, appears to follow the crowd on the 1980s vogue of decentralisation and autonomy, but still maintain almost full state funding, including increases at the period that in other countries the trend was to decrease funding. In addition, funding is separately given for the maintenance and renewal of buildings and equipment.

For PhD students financing comes from the funds allocated to faculties, which the faculties themselves decide to use as grants or to employ the student as, say, research or teaching assistant. This grant or employment is usually for a period of four years, covering all postgraduate years. There are of course those who go to pursue doctorate programmes on their own, and in such cases they must find other sources of financing. In 1998 the policy was slightly changed so that any university admitting a student into a PhD programme must take on the person as an employee, with full benefits (Högskoleverket 2003; Tengner 2003; Enkvist 2006). This method of financing has its roots in the understanding that doctorate studies are full-time research engagements. By the end of 2005 fifty-five percent of all doctorate students were employed by the university as graduate or research assistants, seven percent had other types of employment within the university, nineteen percent had grants or bursary awards, ten percent had employment outside the university (Högskoleverket 2006).

Research Funding

Research funding is one of the major external sources of alternative income by which universities such as Warwick and Twente drew themselves out of the doldrums and became famous for their entrepreneurial spirit which showed in the way they attracted non-government research funds. In the United Kingdom and some other countries, the research performance of a university directly affects how much state money it gets from state funding bodies since funding is tied to performance output, evaluated cyclically. The same is true of many other countries, e.g. Australia, based on which Marginson and Considine (2000:133) give the general view of the emphasis on research, especially non-state funding for research:

In a competitive higher education system, research (among other things) is a means of defining value and manufacturing symbols of excellence. It is a primary source of institutional prestige and income: in its most prosaic form, research is the pre-eminent 'numbers game' in the Enterprise University. Research management's objective is to succeed in that numbers game. By externalising the university's research it can be imagined as a single quantifiable system.

In Sweden allocations of research funds are made directly to the faculties of universities and include financing for postgraduate education. This method still subsists. The Conservative Moderaterna government in 1994 used savings in ‘Wage Earners Funds’ (pension investment funds) to establish research foundations, thus increasing by a huge leap the amount of money available for research at the universities and other research institutions. On the other hand, the budgetary allocation for research was reduced by this government. Bauer *et al* (1999) argue that the research funds from the foundations make some faculties within universities richer than others since the allocation that goes to each faculty comes as a result of the research efforts and applications of individual researchers. What Bauer *et al* narrate here could be contrasted with the case of Warwick (Clark 1998; Shattock 2003), where the external funds earned by the various research groups or departments are pooled together, to make a redistribution possible, as not to starve out the departments that traditionally lack the capacity to earn income. It also allows the central administration to have funds for general development and investment in order to build up surplus funds.

16 research schools were established at various universities by the government in 2001. This is also an indication of the new surge in the focus on research. The ambition appears to be matched by spending in cash terms. The year 2002 recorded a 4.5% rise over the previous year in what was spent on research and research education at all Swedish universities, “a rise considerably more than the average for the most recent five-year period” (Tengner 2003:18). Tengner also records that this kind of expenditure rose, in fixed terms, by 15% between 1987 and 2002.

Furthermore, Swedish universities get funds from outside of state budgetary allocations and governmental research funding bodies. According to Tengner (2003) non-direct funding accounted for one-third of all research funds in the early 1980s. However, the contribution of external sponsors of research has risen constantly since then. Strömholm (1994) writes that this in some way is an indication of the extent of research the institutions were engaging in. He recounts that in the academic year 1991/92 external funding accounted for 40% of research funds at the Karolinska Institute (mainly medical sciences research), 37% at the Chalmers Technical College, 36% at Uppsala University, 32% at Lund and 28% at Göteborg University. These incomes reflect the disciplines that attract funding most, as well as the prestige of the educational institution. By 2002 external funding – from research councils, funds and trusts, local and regional governments and other establishments – had overtaken direct

allocation to the faculties in covering research expenses, accounting for 55% (Tengner 2003). However, according to Tengner, public funding, which includes all these sources, still makes the most contribution, accounting for 80%. What has happened is that the dynamics of funding changed. As direct funding went down, public funding came in through other sources, e.g. research councils and host local authorities. It needs to be mentioned that the volume of research in the country is much more than the research carried out within the tertiary education system. Strömholm (1994:14) gives the indication of this when he writes that in 1991:

In a wider perspective, the share of the universities of the total outlay on research and development (R&D) was much smaller than many would dare to imagine. Just over two-thirds (68%) of the country's total expenditure on R&D in 1991 [] was within the private sector. With 29% the universities were in second place.

On the whole, the total expenditure on higher education in Sweden, using 2002 figures, was 1.8% of the country's gross national product. In 2002, using figures from three years earlier when the expenditure was 1.7% of GDP, Sweden was placed 5th within the ranks of the OECD's top spending countries on higher education. Of the total of 41.5 billion crowns expended, 65% was direct government allocation, 23% came from other public sources and only 12% came from private sources. Thus the public sector accounts for 88% of all expenditure on higher education (Tengner 2003).

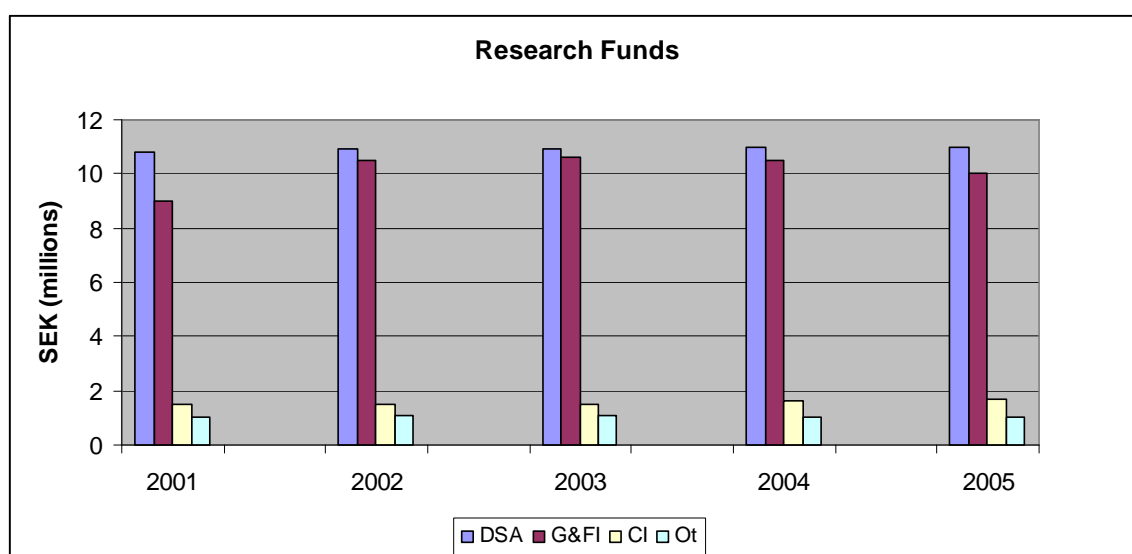


Figure 2. Sources of Research Funds

Source: Högskoleverket 2006, page 74

Legend: DSA – direct state allocation; G&FI – grants & financial incomes; CI – incomes from contracts; Ot – others.

In 2005 for the first time since 1993 research funds available to universities went down. Between 2004 and 2005 it went down by 1.2%. It should be noted, though, that the direct state allocation was unchanged and, it was the funds coming in from external sources that diminished. Public sources still account for about 80% of all research funds at the universities. In 2005 Sweden spent 3.7% of its GNP on research and development. 20% of the research was carried out by universities, with 22.5% of the funds. This is above the 3% target set by the EU and fifth highest in the world (Högskoleverket 2006).

THE 2006 TUITION FEE PROPOSAL

In January 2006 a special commission set up by the government of Sweden submitted its report, recommending that students from outside the European Economic Area (EEA) should pay tuition fees for undergraduate and Masters level education at Swedish universities. The recommended tuition fee of 80 000 Swedish crowns (SEK) is the next highest in Europe, close – even though a poor second – only to that of the UK.

The Initiative

Bauer *et al* (1999) in their discussion of policy formulation and implementation in Swedish higher education note that reform has two definitions. It is either the setting of “a complex of goals” with an indication of how to achieve the goals, or a “link or part in a more comprehensive social and political process of change” (page 19). Such changes, they further opine, follow either the logic of appropriateness or are actor preference-driven, which is more often the case in Sweden. Thus, if Sweden moves from a non-fee paying to a fee-paying regime in the provision of higher education, the demand for tuition fees must be “part in a more comprehensive social and political process of change”. The goal here is to increase the number of foreign students and the means is to empower universities, through statutory amendments, to be able to charge fees of a category of foreign students. What then is the overarching socio-political change? We can understand this by looking at the statute concerning fees in higher education and the source of this initiative for fees.

Higher Education Ordinance

The Swedish Higher Education Ordinance (1993) states succinctly in Article 1, paragraph 10: “Education at the universities shall be free of charge for the students.”

Furthermore, the National Agency for Higher Education, Högskoleverket (1996:36; 2005a: 20) also explains, “It should be noted that foreign students don’t pay tuition fees in Sweden”.

Terms of Reference

By the terms of reference, the primary task of the commission was to:

Propose a system in which state universities (HEIs) charge fees for education at the first and second levels to students from countries outside the European Economic Area (EEA), that is, the 25 EU member States, Iceland, Liechtenstein and Norway. (SOU 2006:7 page 13)

The commission, thus, was not set up to examine if there was a need for tuition fees and if so, who should be asked to pay the fees. The authority setting up the commission, i.e. the government, had already decided that tuition fees must be charged, and only of persons from outside the EEA. The third directive of the terms of reference is for a legislative proposal, to emphasise who was included and who was excluded:

Propose legislation that expresses the principle that education should be free of charge for students from EEA countries (Ibid.)

This legislative proposal would be a revision to override the provision contained in the Ordinance of 1993, Article 1, paragraph 10. Furthermore, a new paragraph is added to Article 1 of the Higher Education Act 1992, stipulating tuition-free education for persons from within the EEA but empowering the government or authorities to whom the government delegates such powers to determine how much should be paid in tuition fees by the persons from outside the EEA. The Swedish parliament decided on the amendments in February and the government issued the amended Act in March 2006.

It is clear thus, that the government, not the universities, takes the initiative. However, research conducted by the Swedish National Union of Students (SFS) shows that a majority of university leaders are in support of fees for non-EEA students. The commission was not a fact-finding one. Its work was to recommend ways and means of implementing a line of action the government had already decided to follow.

The government's drive in this direction began with the setting up of a commission in 1999, followed by arguments for fees for foreign students put forward by the then Minister of Education, Thomas Östros. In its Dir. 1999:100 the government commissioned a special investigator to:

- find out the conditions for increasing the number of students from other countries, especially outside the EEA, at Swedish universities and colleges
- find out the information given about Swedish education in these countries
- survey the international development concerning tuition financing of education as well as to what extent and on what grounds other countries charge fees of foreign students
- study the question of charging tuition fees for the education of students from outside the EEA

The issue is raised already here in a manner that indicates that charging non-EEA students tuition fees is in the offing. The third bullet point above is perhaps a tentative exploration of the possibility of charging fees of other categories of foreign students and even Swedes. This may have accounted for the fear expressed by the students union and university teachers over the issue.

The commission recommends a yearly intake of 1000 students from outside the EEA for up to five years, as a pilot. The commission also recommends three courses of action. One is that no additional spaces are created and the universities incur no additional costs. The problem with this is that the 1000 foreign students would be taking up the places of Swedish and EEA students. The second alternative is to retain the free of charge education while these additional students are admitted. This would cost the state SEK 525 million. The final alternative is to charge non-EEA students tuition fees. The financial outlay for scholarships and other necessary expenses would amount to SEK 320 million.

The commission observes (page 63) that “globalisation is a reality and so is even the global education market”. It gives examples of other countries that are very active in this market, noting that “Sweden is a relatively little country that is pretty late in establishing in the international education market”. It advises that if Sweden does not formulate a national strategy for marketing its education abroad it would “lie at the edge of the most important markets” (page 64).

The government chose to adopt the third recommended course of action. The impression the dispassionate observer gets is that this is about joining the education market.

The Recommendations of the Commission

Motive

As has been elaborated above, changes in policy are often part of a bigger change. In this case, the big change is discernibly that Sweden is positioning itself to take advantage of globalisation. Some of the overriding reasons for this change as stated in the commission's report are to achieve Internationalisation at home (IaH), establish crucial contacts with other countries through foreigners who have studied in Sweden, to have a pool of Swedish-educated people in foreign countries from which Swedish international companies can find recruits (SOU 2000:92; SOU 2006: 7; HSV 1996:17, 2005). There is perhaps also an ambition for Sweden to establish itself as a knowledge production centre. But it certainly intends now to earn income for universities and relieve the government of some of the burden of financing by taking advantage of the huge international flock of fee-paying students. This is a sellers' market, a market that is ever rising. It is said that China alone has a shortfall of two million university places each year (SOU 2000:92).

Argument for Tuition Fees

The arguments for charging tuition fees of students from outside the EEA were first articulated by the then Minister of Education, Thomas Östros, on 22nd February 2004 when in an article in *Dagens Nyheter* he distanced himself from his earlier stand on the matter and talks of the reforms being made, which would enable the recruitment of more foreign students and, with regard to that, expressed doubt that Swedish taxpayers should bear the cost of educating such people. University leaders, in interviews conducted by the Swedish National Union of Students (SFS), then echo this at the policy implementation level. Other reasons are that Swedish students pay fees abroad, and that if foreign students do not pay fees, they would "squeeze aside" or inundate Swedish students.

It is unlikely that these reasons explain why tuition fees are being proposed. At least one university vice-chancellor indicated a more likely reason:

...in a situation where more and more countries are selling education, it is important that Sweden should be among them from the beginning and learn what it means (SFS 2004: 27).

The matter, as is clear from all the data available, as well as the debate, is not about shortage of funds. For undergraduate education, even if universities could always do with more, “Sweden is resource-wise very privileged compared with the other countries in Europe” (SFS 2004: 22). However, there is a division between basic education and research. Here, there is the opinion that while Sweden is in the forefront within the OECD, there is a desire for more public sector investment, which is low compared to other countries worldwide, because 75% of the investment in research in the country is done by the private sector. The conclusion can be drawn that there is actually no acute shortage of funds, both for undergraduate and research education that the income from foreign students from poor countries should augment. Other options exist for raising additional research funds, e.g., the removal of restrictions on tax rebate for companies and individuals that make financial donations to universities for research, as has been argued among others, by Bergman *et al* (2006).

The SFS discovered, among those who support fees for non-EEA students, most emphasised that they would not have fees for Swedish students or Europeans. The argument that Swedish students pay fees abroad and therefore it is only fair that foreign students pay reciprocal fees in Sweden is watery. Swedish students pay fees in Britain but British students will not pay fees in Sweden. On the other hand, it is not known that Swedish students go to Africa or Latin America – some of the regions that the intended fee-paying students would be recruited from – to receive education and pay fees for which Sweden now wants reciprocal fees. Furthermore, while on the face of it all non-EEA students are eligible to pay these fees, it is very likely that fees would be fetched only or mainly from Africans, some category of Asians (for instance Japan may not fall in here) and Latin Americans since students from North America – USA and Canada – Australia, New Zealand and Japan are more likely to come on exchange programmes as they traditionally do and be exempt from tuition fees. These countries do not lack educational facilities at home nor do they need to come to Europe in search of higher quality education.

The argument that if non-EEA foreign students do not pay fees they would squeeze out Swedish students, alarmist on its own, is also gauche. British, Polish or French students can squeeze out Swedish students as well as Asian or Latin American

students would do, but they will not be charged fees to discourage them from coming in such numbers that they squeeze out Swedish students.

Therefore, there is strong indication that the matter is just the matter of joining the market, succumbing to the global neoliberal trend as well as geopolitics. This represents a change in political ideology. If nothing else, it represents a move away from seeing education as a global public good or a vehicle for global solidarity.

Sweden's Competitive Advantage

The commission lists the factors that give Sweden a competitive edge in the international education student market (SOU 2006:7 pages 36-37). These factors (*in italics*) are commented upon. An analysis of these factors would illuminate the purpose intended to be achieved with charging tuition fees.

Sweden has a well-developed higher education and some of our universities are internationally well-known.

For whatever such rankings are worth, Sweden has four of the best 100 and 11 of the best 500 universities in the world. 34 of the 100 best are in Europe (ARWU 2006). Yet this may be a fact known only to educational researchers and not to the potential student customers and their parents seeking places at Swedish universities.

Sweden has for many years invested in the internationalisation of its higher education and the universities carry out widespread exchange programmes, where the interest to a growing extent is directed towards countries outside Europe. Several universities also invest in special programmes directed at foreign students, and the number of courses and programmes in English is rising continuously. In the National Agency for Higher Education's evaluation of the work with internationalisation within higher education (Högskoleverkets rapport 2005: 1R) were shown almost 200 Masters programmes in this direction.

Data would show that internationalisation has been focused on the West and students coming to study in Sweden from the regions that would be eligible to pay tuition fees is negligible, about .01% of the total student population. This figure may include those from these regions ordinarily resident in Sweden and exempted from

fees. Compare with Britain's 11% (Taylor 2003). Where the factor of English being the medium of teaching is crucial, it would make more sense for the foreign student to go to a country where all programmes and all communication are in English.

The studies in Sweden are free of charge. Even if the cost of living is high, the situation that the studies themselves are free of charge has been witnessed to as a positive factor when foreign students choose country of study.

This positive free of charge education is what this new proposal wants to put a stop to. There is even a contemplation of asking these students to pay the entire financial requirement of their sojourn into Swedish banks before the issuance of student visas. In addition to a very high cost of living and almost non-existent chance of employment the likely effect is to reduce the number of students choosing to study in Sweden instead of attracting higher numbers.

For foreign students it is naturally a matter of safety to be able to communicate in a language they can themselves understand and speak. That a large number of Swedes speak English facilitates the contacts between foreign students and the Swedish society.

The foreign student will feel safer in a country where English is spoken not only by a large number but by all. If the foreign students know little English, communication would not be made easier by English being only a second language in the country of study.

Sweden has high security, good environment and access to experience nature.

Sweden for the student from Latin America or Africa would perhaps be only as secure as any other country she could go to study in the West. What is likely to be of greater importance to fee-paying foreign students might not be experiencing nature but employment opportunities, both while studying and at the end of the studies, something that is next to nil in Sweden. The report itself points this out. To highlight the importance of work to foreign students, Yonezawa (2005) reports of a nearly two-fold increase of foreign students in Japan between 1999 and 2003 to 105,000 students

due to a liberalisation of working regulations in 2000, even though Japan was in economic depression.

The person who has residence permit for studies is allowed to work without work permit. The person who has applied for the extension of the residence for studies is allowed to work even while the application is being processed, if the application is submitted while the earlier permit is still valid and concerned a minimum of six months.

It is true that the commission recommends the facilitation of conditions for foreign students to seek employment during their studentships and afterwards. However, employment is a question of the availability of jobs and the willingness of employers to employ foreign students. The experience of immigrants from these regions living in Sweden does not give hope. Will the issue not arise that this category of foreign students would “squeeze aside” Swedish and EEA students from jobs? Will Swedish employers give jobs to foreign students who do not know the Swedish language? This is something that has a zero chance. What kinds of jobs would this category of foreign students be able to secure? Many foreign students would want employment from which they can earn enough money to pay the tuition fees or to cover their living expenses in the country of study, to relieve their parents of the burden, and even take a savings home at the end of their studies. Others would want jobs that give them relevant professional experience in their fields of study.

The only group that has actively challenged the proposed introduction of tuition fees for students from Africa, Latin America and Asia is the Swedish National Union of Students. It has commissioned two reports arguing for why the free education that is the tradition of Sweden should be maintained. Research carried out by the SFS shows that 63% of university vice-chancellors are in support of the fees. Those who claim not to support it appear not to have taken a stand against it either. The university teachers union wanted to issue a statement opposing it, but was overruled by its executive council. Among politicians the left wing Vänsterparti and their youth wing opposed it. The conservative Moderaterna and its youth wing of the supported it. The move has been initiated by the Social Democrats. It appears to be an elevation of the market over the social by the Social Democrats, just like the Labour Party under Tony Blair.

Financial Impact of Tuition Fees for Swedish Higher Education System

The income from the tuition fees will not be decisive in the continued provision of higher education in Sweden, including for persons from the envisaged fee-paying countries, considering that the contribution of the fee-paying students would only cover the cost of their education and they are not likely to be more than 3000 out of about 400 000 students nation-wide.

SOU 2006:7 itself does not make calculations of how much money the higher education system would raise in this venture, or how much it would cost in advertising, establishing or acquiring new facilities and employing new lecturers and administrative personnel. The earlier report, SOU 2000:92, puts the cost of creating additional 1000 places yearly for five years at SEK 250 million, 77 million for scholarships and 243 million for other related acts (e.g. marketing, developing courses in English, strengthening the Swedish language, foreign guest lecturers, etc). That gives a total of 570 million. In addition, the universities will on their own need to spend money on worldwide marketing and reception activities. To this cost has not been added an essential outlay on the provision of student accommodation.

On the income side, the student union (SFS 2005: 43-44) makes a calculation based on 4000 foreign students and tuition fees of 80 852 crowns. The recommended tuition fee is 80 000 crowns per student annually and the figure that the commission arrives at is 1650 students. Based on the data they have used, the SFS calculates that the income for all HEIs would be SEK 239 million. If the correct data is used, the income over five years would be 400m crowns. When the major universities such as Uppsala, Lund, and Stockholm University have taken the giant share of this, it may not be worth the effort to engage in this business for most HEIs; indeed, some of them are likely to run into deficit.

Overriding Socio-political Objective

Charging tuition fees as a way of attracting more students from countries outside the EEA to Swedish universities is a weak case. Charging them tuition fees as part of Swedish international co-operation is also a gauche argument since Sweden would be siphoning developmental money away from just the countries that need such money most to develop their own educational infrastructure, teaching and research. Norway, e.g., is adamant about not charging tuition fees of students from these countries just for this reason (SOU 2006:7).

Perhaps when the government talks of attracting more *foreign students* they mean more students from the EEA and OECD, persons who normally would come under one or the other exchange agreement and are guaranteed by the amended Higher Education Act not to pay fees, but who are desirable participants in this exchange of knowledge and new ideas. Against that background the intention with tuition fees is comprehensible, in that it would mean the Swedish government wants to finance the desired increase in EEA and OECD students by creating spaces for a significantly smaller number of students from the developing countries who would be charged fees to subsidise the others. The need for this increase could be the national strategy of greater co-operation, possibly influence, within the near vicinity in major policy areas. That is what appears to be the case, for the fee-paying students must “not ‘squeeze aside’ Swedish and other EEA students” (SOU 2006:7 page 53). If this were not the case, it would be difficult to understand why a seller of higher education services would exclude the larger part of its potential clientele from paying for the services, especially when this larger client group is also economically more capable of paying.

INTERNATIONALISATION/ GLOBALISATION

The statutory basis for internationalisation work at Swedish universities is the Higher Education Act 1992. The Act states in Article 1, paragraph 5 that “The universities should furthermore in their activities promote understanding of other countries and of international conditions”. Thus, the work carried on by tertiary education institutions in this regard concerns the processes by which they bring about this understanding of other peoples and international conditions, and how this understanding is transmitted. These processes have had influences from the international, national and local arena. The national factors that impact internationalisation include the political framework as well as the programmes, funds and organisation that exist for such activities. On the international level Sweden’s involvement with various organisations at regional (e.g. the Nordic Council), continental (the European Union) and global levels (e.g. OECD and UNESCO), as well as WTO, provide the framework within which internationalisation work is carried on by the universities (Högskoleverket 2005c).

Definition

An idea of the content of these processes of internationalisation can be derived from definitions of the term. In 2003 Högskoleverket set up a body to carry out a

“thematic quality evaluation of internationalisation of basic and research education at Swedish universities and colleges”. Their terms of reference were to survey and evaluate the work with internationalisation, and also to spread good examples and name the institution that was best at internationalisation (Högskoleverket 2005a:7). The work was completed in March 2005. For a definition of internationalisation the task committee adopted (page 16):

Internationalisation at the national, sector and institutional levels is defined as the process of integrating an international, intercultural, or global dimension into the purpose, functions or delivery of postsecondary education (Jane Knight, *Journal of International Higher Education*, no. 33, Fall 2003).

Internationalisation is also:

influencing the following areas: curriculum, language training, studies/ training abroad, teaching in foreign languages, receiving foreign students, employing foreign staff/ guest teachers, providing teaching materials in foreign languages, and provision for international PhD students (Bruch and Barty 1998: 28).

The elucidation of individual elements of what internationalisation encapsulates given in Bruch and Barty (1998) complements that of Knight. While Knight points out in broad outline that internationalisation covers the purpose, functions and delivery systems of higher education, they give details of these functions, such as language training, receiving foreign students and teaching materials. The purpose of higher education may be influenced when the curriculum is drawn up with the mind of “integrating an international, intercultural, or global dimension” in the system. Delivery mechanisms may be internationalised by using teaching materials from foreign countries or multicultural composition of staff.

When the breadth that is covered by these two definitions is considered, it appears that the evaluation committee worked with a narrower definition. The committee itself elaborates its own understanding of internationalisation as (Högskoleverket 2005b:17):

- The visit of Swedish students, lecturers and other personnel abroad
- Internationalisation at home
- Recruitment of programme students from other countries
- International co-operation

This view fails to cover the crucial areas in the other definitions, e.g., the internationalisation of the course content through multicultural curricula, the employment of foreign teachers from different cultures. The definition applied by this body evaluating internationalisation within the tertiary education system may have to do with the purpose or national objectives of internationalisation. One thing that has influenced the committee's parochial definition is, as they indicate, the fact that the government set the direction annually in which the work of internationalisation should proceed. They write (Högskoleverket 2005c:17) that for the period immediately preceding their evaluation, the focus for internationalisation determined by the government was active measures to "raise international mobility and to increase the internationalisation of programmes offered to students on their own campuses".

Objectives of Internationalisation

Sporn (2003:122) writes that universities in European states have also focused on internationalisation and exchange in order to provide experiences to students with different ethnic backgrounds, regional interests and an interest in international careers.

For any nation and for regions as well, an underlying fact with the need to understand other countries and world situations is that it is of national or regional strategic interest. Within the European Union, for instance, two such strategies have been, firstly, the objective to create 'European citizenship', using "student mobility as a means for increasing mutual understanding, knowledge of other European cultures and languages and the development of a feeling of belonging to Europe as a political entity" (OECD/CERI 2003:16). The other is an economic strategy both for the growth of Europe within a single market – whereby 'European citizenship' would facilitate the free movement of workers and people, and for global competition in the higher education market:

In addition to strengthening European identity and co-operation in higher education, policies supporting the internationalisation of higher education have increasingly integrated the idea of worldwide competition for highly qualified students and knowledge workers. The potentially revenue-generating nature of higher education implicitly underpins this new stance, which may be viewed as an attempt to prepare the European higher education sector for worldwide competition. At the European level, this new rationale has led to the launch of a new mobility programme targeting extra-European mobility: ERASMUS Mundus. OECD (ibid.)

In the Swedish case key motives have also been mobility of workers and the building up and sustenance of competitive strength. What may make the Swedish strategy slightly different is the ambition to build solidarity with poor countries, even though how this works out in practice has mainly been criticised, among others by Sörlin (1996) and Opper (cited in Högskoleverket 1996) who had first studied internationalisation at Swedish universities for her PhD thesis in 1979. The basic strategy, however, is well-documented by Högskoleverket in its report (1996:17):

The goal to internationalise higher education has been very prominent on the agenda in Sweden for the last two decades. The point of departure was a major action-oriented study by the Commission on Internationalisation in the early 1970s. There were several reasons for the actions taken at that time. Given the dependency of Sweden's mixed welfare economy on her success on the global market, the country had to remain competitive. Swedish companies were expanding abroad, and internationalising education was one of the ways to ensure that Swedes would be capable of filling important positions abroad. To this motive was added a new sense of global concern in the 1970s, a promotion of active solidarity with countries and cultures in the non-industrialised world.

The concepts embodied in this strategy are reflected in the overarching strategies and goals of the individual universities, as indicated in their responses to the questionnaire of the evaluation team. The evaluation team summarises these goals and adds brief comments as follows (Högskoleverket 2005c: 20, italics in original):

1. *Academic quality*. This is mainly discussed in the same terms, but with somewhat varying emphasis. One frequent formulation is "...involvement in the international academic community".
2. *Training for an international labour market*. This is formulated for instance as "...to provide students with the capacity to work in international environments".
3. *Making programmes and research competitive* in comparison with programmes and research offered in other countries, often with reference to the Lisbon Convention.
4. *Fostering international peace and solidarity*. In this context reference is often made to the third world.
5. *Understanding and awareness of other cultures*. This point can often be linked to the features ascribed to the Humboldtian educational ideal of qualified and critical citizens.

In adopting these overall goals, the universities are adapting themselves to both the national strategies that have been there since the 1970s as well as report of the analysis of the world environment carried out in 1998 by Högskoleverket. The specific focus of this study was to evaluate the universities' internationalisation work directed at the world outside Europe and North America, where the majority of the world's population lives, and to recommend methods of improvement (Högskoleverket 1998: 5).

The study identified the following factors to have a strategic impact, where the universities should be paying greater attention to their programmes or develop programmes to create and disseminate knowledge. As well, the institutions should because of these factors take steps to expand their co-operation/ interaction with the rest of the world, especially outside of North America and Europe.

The borderless economy. The study identifies four groups of characteristics. First, the economy is being globalised. "A striking result of this is that world trade has grown faster than world production and that the rise in foreign direct investment is even higher" (Högskoleverket 1998:17). Another consequence is that wealth has increased in many countries, both in the developed and underdeveloped regions. However, everywhere there is greater gap between the rich and the poor.

A second characteristic of the borderless economy is that "some of the poorest countries are becoming poorer and the gap between the rich and the poor is increasing both within and between countries" (ibid.). Former communist countries are now mainly underdeveloped, while in these same countries some individuals have amassed so much wealth that was never before imagined.

Because the world economy has become borderless there is greater economic integration of the structures for production and marketing, barriers to trade are being removed, and location of industries is now determined with the entire globe in mind.

Lastly, the increased movement of financial capital has led to the weakening of the nation-state. It is no longer the individual nation state but considerations of the global market that "forces and controls far-reaching changes in the labour market, choice of technology, political and social situations as well as (not the least) educational system and research efforts" (Högskoleverket 1998:17).

Regionalisation and nationalisation. Nations are finding that they can be stronger and have greater room for manoeuvre within regional organisations. At the

same time, nationalism is on the rise within states, with extreme right groups that are both against such regionalisation and immigration (Högskoleverket 1998).

The global environmental problem. Climatic changes due to industrial fumes, the disappearing rain forest and the use of fossil fuels are highlighted. It is noted that there is inadequate scientific knowledge on the matter of fossil fuels, for instance, and this is used both by politically powerful players and some interest groups across borders. There is also the matter of water shortages, especially in Africa and Asia (Högskoleverket 1998).

The global pattern of sickness. They point out the differences in the levels of healthcare between the developed and developing world. They suggest there has been general improvement in the developing world's healthcare levels in the past decade, but it is still so that there is high infant mortality rate, and that many curable diseases still create havoc in the developing world. This is a challenge for countries in southern Asia and Africa. They note the seriousness of the division over the care for Aids between the industrialised countries and the underdeveloped world, while the affliction is a globally transferable sickness (Högskoleverket 1998).

After post-colonialism. Another issue of global concern is the development of formerly colonised countries. It is said that there were high hopes for these countries when the yoke of exploitative colonialism began to fall away, but the nationalist spirit that led them to independence in some cases froze and the independence leaders in many cases turned themselves into dictators. There is now, however, renewed hope and with the fall of apartheid there is talk of an 'African renaissance'. Strides are being made in Asia. There is now talk of the period after post-colonialism. Yet there are countries in Africa that appear to be hopelessly lagging behind (Högskoleverket 1998).

Nation-building after communism. The era after communism is of great interest, firstly because of the rapid economic changes and growth taking place in China and Vietnam, which has had long historical connections with Sweden. Apart from the Baltic countries, former Soviet countries will be of great interest, especially Azerbadjan, Kazakstan, Kirgizistan, Turkmenistan and Tadzjikistan, because of the considerable finds of crude oil in the area (Högskoleverket 1998).

The strong role of religion. Religion should also come into focus for academic research and learning. The study identifies religion as one of the most obvious international phenomena of the past twenty years because of its manifestation in

Africa, Asia and even Europe, filling the ideological vacuum created by the fall of communism and the cold war.

They posit (Högskoleverket 1998:20) that “In some cases [religious factors] contribute to border-crossing internationalisation, in other cases to the strengthening of the sprouting nationalism”. They give as examples the Middle-east conflict, where “especially the Palestinian conflict is impossible to understand without consideration of the religious factors” (ibid: 21). Here the peace process is threatened by the extremism of both Muslims and Jews; and there is in the USA the well-organised religious right. They conclude that “awareness of religious differences and global patterns of belief are important for understanding the world today” (page 21).

Economies in dynamic development. Examples of these economies are to be found in southeast Asia – Singapore, Taiwan and Hong Kong that have stronger economies than some European countries; Malaysia, Thailand and Indonesia that have had the highest growth rates in two decades. These countries are being forced by global situations to conform to the global system, which would only make them grow faster. China is experiencing phenomenal growth. According to the World Bank, Botswana in Africa is the country in the entire world that has had the fastest economic development in the last thirty years (Högskoleverket 1998).

Democracy, human rights and equality. There is a general movement in the world toward democratisation. Yet there are large numbers of dictators, which makes it difficult for universities in democratic countries to work together with universities in such countries, “since scientific relations are by definition characterised by freedom of thought and expression” (ibid. page 23). While it makes academic co-operation difficult to establish, it is noteworthy that experience has shown that probably the most effective ways to undermine such dictatorships is closer scientific and cultural contacts. The world also still condones the oppression of women, and this unequal treatment is very evident in the fields of education and research (Högskoleverket 1998).

The multicultural society. To internationalise higher education means that the institutions have to see themselves as multi-cultural and multi-ethnic societies. There are in many countries large groups of immigrants and refugees. This means that the need to understand other cultures becomes imperative. All of the various groups in the society will attend universities and there is need for immigrants to also come into the institutions as workers and academics. Yet it is a “permeating characteristic in many

countries that the competence of immigrants is not taken advantage of in the labour market. In this respect there is a range of challenges for both the labour market and the universities” (Högskoleverket 1998:23).

Developmental co-operation. The world analysis shows that certain global economic terminologies no longer have relevance. Countries can hardly now be categorised as ‘developed’ and ‘underdeveloped’. There is also the view that the word ‘aid’ ignores the co-operative work and joint responsibility for development between donor and recipient countries. It is more fashionable now to say international development co-operation to capture the spirit of partnership and contributions of both sides (Högskoleverket 1998).

The global education market. There are countries with excess capacity and those that have been unable to build up their educational capacities and facilities. There is thus a huge market for education and educational services, which is worth billions. “This new market creates networks and contacts of great significance. They contribute in high measure to the production of knowledge in the host countries”, as well as significant industrial and trade networks. But there is a down side to this development, in that large numbers of foreign students leaving their own countries to study abroad could delay the development of their home countries’ education systems (Högskoleverket 1998:24).

All of what has been analysed by Högskoleverket above form what is now being developed as Global Citizenship Education (See for instance Peters *et al* 2008). With all this in mind, how has Swedish internationalisation played out in practice? Neave (2005) writes:

Sweden’s commitment to international outreach has progressed along three axes: close and sustained exchange and dialogue within the Nordic countries; bi-lateral relationships with its European neighbours prior to joining the European Union; last and very certainly the most remarkable, an abiding and self-imposed obligation to aiding and assisting in the countries of the Southern hemisphere.

There is confirmation of this view by Sörlin (1996: 83), who does not mention any interaction between Swedish higher education and the developing world:

the Swedish intellectual contact landscape, which is strongly concentrated on Europe and North America. To be exact Swedish R&D contacts is strictly taken localised to a geographic neighbourhood in the Nordic countries, north-west Europe and USA

(including southern Canada). Within these areas, which encompasses less than 5 percent of the earth's surface (and not more than 10 percent of the earth's population) it is furthermore a few "scientific regions" with a strong concentration of universities, research and high technology industries that make up the real contact surfaces.

Opper (cited in Högskoleverket 1996:18) narrows down the contact surface further in her bruising critique of Swedish internationalisation almost twenty years after she studied the subject for her PhD thesis:

What we have seen in Sweden is internationalisation as a stepping stone to Europeanization, with a strong side interest in linkage to the US. Moreover, I have witnessed not so much a pan-Europeanism in Sweden's interest in internationalisation as a concentration of effort on Germany and the United Kingdom.

This observation is made by several other writers. Internationalisation has a number of aspects, the most obvious and common aspects being mobility of persons, which is a two-way traffic of outgoing and incoming students and academics, and collaborative actions between institutions. Sweden is active in these aspects, within the frame of the observations presented above.

EU/EUROPE, NORTH AMERICA

Going Abroad

The literature on mobility of students divides students going abroad for studies into programme students and 'free movers'. The former is made up of students participating in exchange programmes between institutions, or in regionally organised exchange programmes, e.g., the EU ERAMUS programme. Free movers are those who go abroad to study on their own. In GATS terms, this would be termed 'consumption abroad'.

Högskoleverket (1996:31) states that the USA is the traditional destination of Swedish students outside Europe for free movers. Within Europe, France and the United Kingdom are the favourites. And for exchange students the UK, Germany and France, in that order, are the most popular destinations. The preference for the USA and the UK may have to do with the English language, which most Swedish students already have a sound knowledge of. Germany, on the other hand, has historical trading and cultural links with Sweden, and many young people view France as an exotic country – a place to experience fashion, romance and good food.

Region	All students studying abroad	On exchange programmes
Nordic countries	2 232	261
Europe excl. Nordic countries	15 708	3 921
Africa	179	105
North& Central America	4 458	978
South America	423	134
Asia	966	497
Oceania	2 871	549
Total	26 838	6 445

Table 2. Swedish students studying abroad 2004/05

Source: *Högskoleverket 2006, page 111 (adapted)*

68% of those who went to Africa on exchange programmes as well as 60% of the total went to the Republic of South Africa. This reflects the business interests of Swedish companies.

Internationalisation at Home (IaH)

Region	Foreign Students in Swedish HEI	
	1996/97	2004/05
Nordic countries	2 195	2 755
Europe excl. Nordic countries	3 898	9 119
Africa	141	840
North& Central America	605	1 336
South America	95	278
Asia	469	3 579
Oceania	108	327
Unknown	2 262	4 979
Total	9 773	23 213

Table 3. Foreign Students at Swedish HEIs 1996/97 and 2004/05

Source: *Högskoleverket 2006, page 113 (adapted)*

The figures include both ‘free movers’ and students on exchange programmes, but there is no clarity as to what proportions they are. Again, the movement of students reflect the business interests of Sweden, which is one of the key objectives of the internationalisation drive. In Asia, e.g., the continents’ biggest and the world’s fastest growing economies, India and China stand for about 50% of all the foreign students from that region, due to targeted efforts. The same picture is reflected in the case of Latin America, where the region’s giant, Brazil alone accounts for 25% of students from the South America continent.

Internationalisation within Europe is mainly within the framework of EU internationalisation projects, the most notable being ERASMUS and the Bologna Process. ERASMUS is focused on mobility and collaboration between institutions and is said to be a glowing success. In 1994/95 14,800 free moving Swedish students went abroad to study. In that year approximately 4000 students participated in exchange

programmes within the Nordic countries (Nordplus), about 400 within bilateral arrangements between universities, while ERASMUS accounted for about 1,800, 60% within the age range 20-24 years. For the same period, Swedish universities expected to receive around 3200 foreign students, but no figures are presented for the number that actually came, except for those who came within the Nordplus project, which accounted for 600 students (Högskoleverket 1996).

The consumption of education services abroad by Swedish students continued to grow, fuelled by the fact that from the early 1990s Swedish students could take loans and grants from the national agency for student support to read abroad, plus the entry into the EU. As Högskoleverket (2005b) reports, the number of Swedish students going abroad within the ERASMUS programme trebled to over 3000 by 1997/98. In 2000 20% of all students studying abroad were on exchange programmes. Table 2 shows data for 2004/05.

The number of students coming to Sweden from other countries has also steadily risen since 1992. Under the ERASMUS programme the increase is recorded to be about 33%, from under 1000 students in 1992/93 to over 5000 foreign students in 2002/2003 (Högskoleverket 2005b). Receiving international students in Sweden to impact the higher education system and the attitude of Swedish students towards other people and cultures falls under Internationalisation at Home (IaH).

Bologna Process

The Bologna Process was launched in 1998 (and ratified by EU ministers in 1999) as a:

harmonisation process aimed at establishing a European Higher Education Area by 2010... In light of the fact that more non-European students choose the United States than Europe for study abroad, this initiative seeks to enhance the 'international competitiveness of the European system of higher education' (OECD/CERI 2003:16).

Its purpose, then, is to create, within the EU zone, a system of education as uniform as possible, so that within the proposed European Higher Education Area, education would be "more compatible and comparable, more competitive and more attractive for our own citizens and for citizens and scholars from other continents" (European Commission: 2003:2). This would be in competition with the US, Australia and New Zealand for the students from Asia, South America and Africa.

The Third Report on the cyclical reviews of Swedish higher education by the International Advisory Board remarks that Swedish universities have not given any considered attention to aligning themselves to the Bologna Process. They note that, along with countries such as the UK, Germany, Estonia and Lithuania, there is in Sweden much less discussion of the Bologna process than in other signatory countries. The Advisory Board observes that there are reforms similar to the Bologna Process, but such reforms are not viewed by Swedish institutions as being part of the process (Högskoleverket 2003).

A factor that accounts for this lack of enthusiasm is the fear that changing the duration of courses in line with the number of years recommended by the Bologna consensus for certain programmes would only unnecessarily “lengthen an education that the branches concerned think is good” (Högskoleverket 2005b:30). Another is the fear that it would thus make the programmes more expensive to run. Yet the inaction of most universities has been because they are waiting for firm indication from the government that the reforms should be implemented. The study on internationalisation at Swedish universities found that:

Many institutions have indicated that the inability of the government to implement the intentions of the Bologna Process hinders the development of Swedish higher education and its relation to Europe (ibid).

THREE WORLDS - AFRICA, ASIA, LATIN AMERICA

As would be understood from the sections above, all of these exchanges are mainly with Europe and North America. Yet Sweden, because of its “abiding and self-imposed obligation to aiding and assisting in the countries of the Southern hemisphere”, but probably more because of economic intentions, also wants to expand the academic contacts with the developing world.

The 1998 study of the contacts between Swedish universities and countries outside Europe and North America observed, (Högskoleverket 1998:15) that:

A global (and partly virtual) academic society has come into being, parallel with the global financial market, the global media society, the global big business operation and the developing global political system.

Therefore, as the world is changing the universities need to:

collaborate in creating increased international competence through transmitting 'entry knowledge' (language, etc.), 'regional knowledge' (knowledge of cultures, religion and social systems) and 'knowledge of the global connections' (food provision, population issues, climatic changes, health, etc.) (ibid. page 9).

During the period covered by this report only 3% of all students from Sweden who travelled abroad to study went to the three continents Africa, Asia and Latin America. It would be safe to assert that these would very likely be immigrants from these regions permanently residing in Sweden. They may have particular reasons for going back to do some studies in their countries of origin. Recommendations were therefore made to improve the contacts. Today there are a number of programmes directed towards these regions. One such programme is the expansion and strengthening of the Minor Field Studies (MFS) project and the programmes of the Stiftelsen för Internationalisering av Högre Utbildningen (STINT) with more funds from the Swedish International Development Agency (SIDA). SIDA also finances the Linneaus-Palme programme. In addition, the Nordic African Institute (this is an old institution) provides funds for research geared toward Africa.

Minor Field Studies provides funds for undergraduate students to take brief fact-finding trips to third-world countries, for periods of 8-10 weeks to get materials for their projects or essays. STINT states its mission as that of supporting the internationalisation of Swedish higher education and research, by creating wider networks for Swedish academia. Linneaus-Palme sponsors Swedish teachers and students to study in the third world, and also makes it possible for third world students and teachers to spend some time in Sweden. These funds are given to institutions and it is the institutions that use these funds in their own bilateral arrangements. So, if a Swedish university does not have a bilateral project in co-operation with any university in a certain country, it would be impossible for any exchange to take place with that country. And so far, there does not appear to be many African, Asian and Latin American countries that have exchanges with Swedish universities (STINT website; Programkontoret; Högskoleverket 2005d).

GENERAL AGREEMENT ON TRADE IN SERVICES (GATS)

Sweden has shown no eagerness about education as a tradable service within the framework of GATS. But this is not unique to Sweden, so are many member-countries

of the WTO. Sweden being among the top twenty service exporting countries in the world is indeed eager that service export should be broadly and comprehensively liberalised. But this will be under the basic condition that such liberalisation occurs in line with national policies, especially those that enable the state to take necessary independent actions in its interest. The stand of Sweden is that education, including adult education and privately financed education, are public sector concerns. Yet there is, in principle, the possibility for private foreign investors to establish educational institutions in Sweden, so long as they meet the standards set for such institutions and that they would not award degrees or expect grants for their students, even though there could be exceptional circumstances (Högskoleverket 2002).

Thus Sweden has not committed itself to the GATS and its higher education system is so far not influenced by the negotiations on GATS. However, Sweden takes cognisance of the fact that greater attention will be paid to education as a tradable service in future because of its growing international nature, the fact that more and more private entrepreneurs are providing the service and because of its growing financial importance (Högskoleverket 2002; 2005b). It is likely that GATS would bring a lot of influence to bear on Sweden in the future because there will be growing interest in the Swedish 'education market'. The United States, for instance, has tabled a request, within the GATS framework, for Sweden to "adopt a policy of transparency in government licensing and accreditation with respect to higher education and training" (Knight 2003:9). Such a request is of course one of the preparatory actions for entry. Licensing and accreditation here may be referring to the right to award degrees.

Chapter Six

PRESENTATION AND INTERPRETATION OF QUESTIONNAIRE RESPONSES

Seven answered questionnaires were returned, representing a twenty-five percent response from Swedish universities. While the expectation was greater, this does not affect the data that has been supplied in a negative way. Previously aspects covered by this research and taken up in the questionnaire have been researched. Internationalisation (globalisation) was studied by Opper (1979). Her entire study was based on Uppsala and Umeå universities only. In their study of the transformation of higher education – governance and structure – as part of an international comparative study, Bauer *et al* (1999) focused on four Swedish universities only, two medium and two large. And the government commission that studied the progress of globalisation within the higher education system focused on six universities. The issue of tuition fees was studied on commission from the national student body (SFS); the report was based on interviews with six persons who were “very conversant with Swedish education policy”. By comparison, then, the amount of responses received is within the general scope to be expected. One of the responses was from the Uppsala University, Sweden’s oldest university. While they did not answer the questionnaire, they explained why they could not do so. Their response is not collated with the answers of others. It has been referred to in the Introduction and is taken up in Chapter Nine because of its significance to the research.

The small numbers involved obviates the need to use statistical instruments in the presentation of the data, thus the analysis is entirely descriptive. In the first place, the questions are designed in such a way that, in the majority of cases, they would be answered with a ‘yes’/‘positive’ or ‘no’/‘negative’. Since there are no scales of agreement or disagreement the use of scaled analytical instruments such as the Likert scale, e.g., is also obviated. Where written answers are required, the questionnaire has been designed to elicit very brief answers. Thus, collation and analysis is made much easier.

The questions are grouped under the ten headings: tuition fees, accommodation, user-pays student services, enterprise, earned income, curriculum, interaction with larger society, governance, internationalisation/ globalisation, and education as a tradable service. Under each section there are a varying number of questions. The groupings cover the drivers of entrepreneurialism, such as globalisation and the view

of education as a tradable commodity; they cover also those structural changes, e.g. governance, that universities carry out to position themselves for entrepreneurial provision of education, as well as those entrepreneurial activities they carry out in order to earn money, e.g. university-industry relationship and earned income policies; major areas of earned income are also covered. In this way the answers are easily categorised as part of the interpretation process.

In Chapter Three the entrepreneurial university was defined following the theory expounded by Clark (1998). Depending on the works of Clark, Marginson and Considine (2000) and Shattock (2003), amongst others, the drivers and characteristics of the entrepreneurial university were also established in that chapter. In this chapter we shall examine the answers given by various universities and collating their answers would enable us form opinion on whether there is any indication of an entrepreneurial drive. The criteria for analysis also follow the pattern of the categorisation of questions. In this regard, however, the intention is to find out how well each university, and collectively the higher education system, position themselves for entrepreneurialism, judged against the drivers and characteristics of the ‘typical’ entrepreneurial university that have been identified.

Tuition Fees

Question/ Answer	Yes/ Positive	No/ Negative	Unanswered /Other
1. Given the choice, would the university charge tuition fees of foreign students?	1	5	-
2. Would foreign students be expected to pay more?	-	5	1
3. What is the view of the university on the SOU 2006:7 proposal to charge tuition fees of non-EEA students?	1	2	3
4. Would the university support the introduction of fees for home students?	-	6	-

Table 4: Universities’ views on tuition fees

Source: Constructed from Questionnaire responses

5. How many students at this university fall into the proposed fee-paying category?

In answer to this question the number of students given by different universities as coming from these regions range from 150 to 1000.

Some of the answers given to qualify the ‘yes/positive’ or ‘no/negative’ were:

- “*Tuition fees is agreed to providing the university has substantial scholarships (grants) at its disposal*”.
- “[*Tuition fees*] *Will probably be a reality*”.
- “*Decision will be taken in November [2006]*”

One university did not answer questions 2 and 4; three other universities did not give any answer for question 3. No Swedish university contemplates charging fees of Swedish students. Only one of the responding universities would be willing on their own to charge fees of foreign students. Five out of six universities will not charge fees if they had to decide themselves. Only the one university that would on its own charge tuition fees of foreign students is also positive to the government proposal to introduce tuition fees for foreign students by autumn 2008. No university indicates a readiness to charge higher fees of foreign students than it would home students, if the situation arises.

However, as one respondent answered, fees for foreign students “will probably be a reality”. The government has already adopted the proposal and parliament has passed the relevant legislation to effect this.

The responding universities give the number of foreign students at their institutions as ranging from 150 to 1000. There seems to have been, in those cases with very high numbers, either a misunderstanding of the question “How many students at this university *fall into the proposed fee-paying category?*” or an oversight of the details of the fee-paying categories. There are many exemptions in the proposal, e.g., persons from the fee-paying regions who are ordinarily resident in Sweden. Some universities must have put together all students at their institutions that come from these regions without taking these exemptions into account. In this way the statistics fall at great variance with the figures that the commission of study (SOU 2006:7) had come up with as the total number of students at all universities that were eligible to pay fees – a paltry 1650. Furthermore, the earlier commission that studied the ways and means of attracting foreign students to Swedish universities (SOU 2000:92) recommended a yearly recruitment of 1000 students for all institutions. It is unlikely that they would recommend such an annual intake if some universities can already boast of 1000 students from these areas. See also Table 10: no university indicated that high a number of foreign students in their questionnaire response.

With the insistence of universities not to charge fees of Swedish and EEA students, they would be excluding the by far greater portion of the source of fees income, both in terms of numbers and the ability to pay. This does not seem entrepreneurial.

User-pays Student Services

1. Does the university charge its students for any of the following services?

Service/Answer	Yes	No	No Answer /Other
a. Photocopying	5	-	1
b. Printing	5	-	1
c. Bookshop (a mark-up on prices)	1	-	5
d. Yearly registration	1	4	1
e. Participation in graduation ceremony	-	5	1
f. Issuance of certificates or result transcripts	-	5	1
g. Athletics/ gym	1	4	1
h. Late return of library books	4	1	1
i. Cafes/ restaurants (mark-up on prices)	4	1	1
j. Student programmes	-	5	1
Others	-	5	1

Table 5: Charges for user-pays student services

Source: Constructed from Questionnaire responses

Some of the qualifiers were:

“Bookshops are privately owned, not owned by the university”.

“Sports clubs are privately run, not run by the university”.

“Café/Restaurants are privately owned”.

“The commercial caterers charge”.

One respondent did not answer this question. Generally all universities make charges for photocopying and printing from computers. One out of every six Swedish universities does not, however, charge fees for late return of library books. Also, in Sweden, the Högskoleverket has, at the instance of the SFS, made a very detailed but still not exhaustive list of what the students should pay for and what they should not pay for.

The charges are not exploitative, with the intention to make profits, and would form a totally negligible part of the incomes of a university. “Yes” answers for cafes/restaurants and bookshops indicate that the private entrepreneurs put a “mark-up”. These are not incomes that go to the university but the private entrepreneurs.

Accommodation

1. *Does the university own and operate property it rents as student accommodation?*

No Swedish university has its own student accommodation.

2. *Does the university charge lower/higher than market price?*

This question became irrelevant.

3. *Does the university charge same as market price?*

This question became irrelevant.

The provision of accommodation to rent to students is a major area for earned income in those countries where university education is entrepreneurial. In Britain, e.g., taken per square metre, or even in nominal pound value, student accommodation is more expensive than privately rented accommodation throughout the whole country. Even in Sweden, where student accommodation is provided by council-owned property companies, they cost much higher in rent. No Swedish university owns student hostels that it operates, thus they are not exploring a major source of income, contrary to what institutions with entrepreneurial spirit would do. Since the answer to question 1 in this section is negative, questions 2 and 3 became irrelevant.

Enterprise

Question/Answers	Yes	No	No answer/ Other
1. Does the university actively seek, primarily for the purpose of the revenue?			
a. Consultancies	1	5	-
b. Contracts (e.g. to carry out research)	5	1	-
c. Commercial production of research findings	2	4	-
2. Are there research projects engaged in primarily for the purpose of the funds?	2	4	-

Table 6: Entrepreneurial activities of the universities
Source: Constructed from Questionnaire responses

3. How is outreach (business contact) organised?

The answers given to this question were:

“These tasks are handled by the External relations Office at [...] under the supervision of a Vice-President for the third mission, business and community liaison”.

“Dedicated unit in the university. Also individually by researchers”.

“[...] university has a technology transfer office”.

“A small central coordination department and decentralized specific ‘outreach staff’ close to the research groups and educational units”.

“Through a university owned holding company and through daughter companies to that holding company”.

“There is a unit for external affairs. A number of professors/researchers have longstanding contacts with enterprises, where joint projects are created and co-funded”.

Few Swedish universities actively seek consultancies primarily for the purpose of making money. Most engage themselves, however, in seeking contracts from both the private sector and from governmental organisations or authorities. Such contracts may be for designing and delivering courses and programmes. Some universities also seek research assignments for the purpose of making money. There is also now a rising trend of the commercial production of research findings, but still not on a massive scale. It is important to note, however, that revenue coming from such contracts belong to individual researchers. In fact, the initiative for such contract production of courses and programmes or research engagements is usually taken by individual researchers or research groups. This would be the explanation for the fact that there is active search for contracts, as the individual researcher takes the initiative as well as the benefits.

All universities appear to have an “expanded periphery” and specialised outreach units to make contacts with industry and to handle issues such as patents, etc. However, the similarity with universities in some other countries seems to end here. Not only does the individual researcher or research group have title to the funds, they also exclusively own the results of the research. With several researchers having neither the time nor the knowledge of how to convert their research results into tangible goods, the innovation of dedicated units to handle this is spreading. Some universities are just “starting to do”, i.e. build up such peripheral units. However, it appears what the university stands to gain, since all rights belong to the researcher, is the reputation as the locale where the innovation was made. Changes to this situation,

that would enable the university either to have joint ownership of title/patent rights, or at least share in the benefits of commercial production, are likely, because that is one of the major propositions of the 2005 Research Bill. It is worthy of note here also, that the initiative for this change has not been taken by the universities but is a top-down action taken by the government.

Earned Income

Question/Answers	Yes	No	No answer/ Other
1. Does the university commercialise its research findings through fully- or partially-owned companies?	2	3	1
2. Does the university rent out, sell or build spin-off companies with patented research results?	3	2	1
3. Does the university make any other types of investments for the sake of the financial rewards?	1	4	1
4. Does the university obtain endowments/ grants from private persons and companies?	6	-	-

Table 7: Commercialisation and other non-state incomes
Source: Constructed from Questionnaire responses

Some of the explanations given to qualify the answers were:

In the case of question 1:

“Yes, partially”.

“In Sweden the universities do not own the research findings. It is the scientist who owns his/her research results. The university can help the scientist to commercialize the results through its innovation system which consists of the holding company and daughter companies”.

In the case of question 4, by one university: *“To a very small degree”.*

5. How is non-state income distributed within the university (who owns it/ has control over it)?

The answers given to this question were:

“In Sweden the universities do not own the research findings. It is the scientist who owns his/her research results. The university can help the scientist to

commercialize the results through its innovation system which consists of the holding company and daughter companies”.

“Vice-chancellor has the ultimate control, but the real control is with the project leader or with a programme board”.

“The university”.

“After application”

“It defers, some by the president/vice-chancellor. Some directly by researchers.

“Such income is distributed directly to the researcher concerned, who also has control over and owns the income”.

Fewer universities use fully or partially-owned companies to commercialise their research findings than those that do not. This is explained by the fact that the findings belong to the individual researchers. However, once the researchers have shown the interest and been able to cross the obstacles of getting a patent, a good number of universities build spin-off companies for the purpose of commercialising the research finding. Very few Swedish universities make other types of investments for the purpose of making money. However, they do receive endowments and grants both from individuals and companies, in varying degrees.

Non-statutory state allocations may come in two forms only – endowments/ grants and incomes from contracts and commercial research. From the answers to question 5, it would appear that all incomes come in the name of the university. That is why “the university” and “vice-chancellor has ultimate control.” However, actual or “real control is with the project leader or a program board.” Those funds that may come to the university as a whole, e.g. gifts of endowment will be under the vice-chancellor’s control and will be given “after application.” Again, it is clear, that both the income that comes in for research or contract production of courses and programmes are decided over by the researchers/ or project groups concerned and any incomes are also theirs.

Curriculum

Question/ Answers	Yes	No	No answer/ Other
1. Does the university, in designing its programmes, respond to:			
a. The need to produce the kind of skills that the labour market requires at the moment?	6	-	-
b. The need to meet the interests of potential students?	6	-	-
c. The interests of academics within the university?	6	-	-
2. Has the university had to discontinue courses/ programmes due to economic non-viability?	6	-	-

Table 8: The structure of curricula

Source: Constructed from Questionnaire responses

3. If yes, in what fields have courses/ programmes been discontinued?

The answers to this question were:

“Electrical engineering, mechanical engineering, informatics.”

“In humanities, social sciences, natural sciences and technology.”

“Continuous changes in offered courses/ programmes exist. Major changes during the last years involve the technical field mainly.”

“Humanities.”

“Engineering, economy [Accounting, Business Studies] and maybe some more.”

“Due to insufficient finances there is a discussion going on concerning the subject area traditional land management.”

Explanatory comments include:

“Yes, but very rare”.

In designing their curricula all universities consider the three broad interest groups – the labour market, the desires of potential students and the skills/ interests of the lecturers. By taking into consideration the needs of the labour market and the academic or professional interests of potential students the universities are fulfilling the so-called Third Objective in the goals of higher education. All universities also say that they have had to discontinue courses for economic reasons.

The discontinuation of courses on economic grounds may be seen not in terms of not earning enough money or lack of resources to run the courses or programmes, but more likely due to too few applications for the courses. That is to say, “Due to insufficient finances” courses that cost money because the places are not filled become untenable, e.g. Traditional Land Management. The explanation could also lie in the general fall in student applications and the strong decline in applications to technical courses. The report of the National Board for Higher Education shows that admission figures for autumn 2006 show that the number of beginners fell for the second consecutive year. The aggregate for the autumn intake, compared to the previous year, is 9% and for the spring semester the intake fell by 8% (Högskoleverket 2006: 26). Yet as evidenced by the answer of one university, the “Major changes during the last years involve the technical field mainly”. The detail of this situation is that, according to Högskoleverket (2006), while all fields of study admitted fewer in the 2004/05 academic year, technical courses have had steady decline in beginners over several years, so that in civil engineering, for instance, the number of first-timers has halved in five years (page 8). Further evidence is that while there are higher numbers of applicants than places available, the pressure in the technical fields is the lowest. E.g., for the autumn 2005 admissions, while there were three applicants for each person offered admission in fields such as healthcare, there were only 1.2 applicants per beginner for courses oriented towards natural sciences, mathematics and computers (page 27). Discontinuation of courses could also be part of the process of “Continuous changes in offered courses/ programmes” that exist in some universities.

At comprehensive universities the discontinuation of courses affects all of the programme areas, the Humanities and Social Sciences as well as Natural Sciences and Technology. In the more specialised universities specific programme areas are affected, e.g. “Electrical engineering, mechanical engineering, informatics.” That discontinuation of courses cuts across all fields means that the pattern that exists in other systems where non-income bringing fields, such as Arts and Humanities, suffer cuts in courses is not the case here. In effect, courses are not discontinued because they are not making money/ profit for the university, but because they are not economical to run in terms of the resources that need to be applied when the numbers of applicants are too few.

Interaction with larger society

1. How does the university justify its value to the larger society?

The answers given to this question were:

“Engineering methods and knowledge are currently in use in totally new, and until recently totally unexpected, context within all areas of social and industrial development.”

“By applied research in collaboration with outer partners.”

“Through the third assignment.”

“Being a university with its specific tasks, education and research.”

“The university is given defined goals from the government for education and graduate studies.”

“By graduating well educated students on bachelor, master and doctorate level. By doing high quality research. By cooperating in projects with enterprises, and local and regional communities.”

2. How does the university view itself in relation to other non-university research institutions (Competition/ Co-operation)?

The following answers were given to this question:

“[...] strongly supports co-operation with institutions outside the academy.”

“Both cases; sometimes we collaborate, sometimes we compete of fundings.”

“Competitive.”

“Both.”

“Research is generally built on co-operation and competition regardless this is with university or non-university research institutions.”

Swedish universities justify their place in the society through problem-solving research in co-operation with organisations outside the university system, “within all areas of social and industrial development”. They also do this by feeding the society’s need for highly skilled and educated persons, who would fill vacancies both in the private and public sectors. In doing this they are also fulfilling the “specific tasks” that they are given in the “defined goals from the government for education and graduate studies”. These government-defined goals constitute the Third Objective by which each university enters a three-yearly contract with the government to produce highly

educated and skilled people to meet society's needs. Therefore, while each university or the university system might safeguard their turf, they both compete and co-operate with other, non-university research institutions. The majority, in any case, take a co-operative stance than a combative one toward outside research organisations, even though they may compete for funds and status.

Co-operation in research often takes the form of doctorate students doing their research at companies, or the reverse, where employees of companies become doctorate students while still in the employ of the company and carrying out all the practical aspects of their research at the companies. There is no indication of joint industry-university research on a large scale.

Governance

1. How would you describe the pattern of devolution of authority at your university? (Tick)

- Hierarchical (a single line of authority)
- Federal (collegial/democratic decision-making)
- Triangular (the central authority can deal with both faculties and departments and vice-versa)

Some of the answers were:

“All three options are valid in some respects”.

“Mainly federal”

Two universities indicated that they had a hierarchical governance system; four ticked the federal system and two indicated triangular. The more often case is a mixture of two or all three types. The triangular system of governance itself is operationally made possible by the federal system. That most universities still follow the federal, collegial/democratic decision-making option long after the 1993 reforms that established the vice-chancellor as the executive head of the university may be indicative of the Swedish characteristic of democratic decision-making. In the case of university governance, it is more likely to be indicative of what Bauer *et al* (1999) have characterised as “space of action and related autonomy”, which explain the relationship between the actors' degree of autonomy and their individual capacities to act, in other words, the ability of the individual actor to fully utilise or fail to utilise the formal freedom of action or authority that he/she is given. It means that in most

universities there is an absence of the business-type chief executive that some authors eulogise as one of the characteristics of the entrepreneurial university, even though the government has conferred on the vice-chancellor the powers of a chief executive. One university explains the decision-making process as follows:

Mainly federal. We have a university board in which the chairman and the majority are appointed by the government, we have five faculty boards and we have boards at every department. The daily decisions are made by the vice-chancellor, the five deans and the heads of the departments (respondent's answer).

Internationalisation /Globalisation

1. How do you define 'internationalisation' in the context of higher education, from your university's standpoint?

"Internationalisation is being a university with an extensive research co-operation both on an individual and network basis. An extensive international student exchange is also an essential criterion."

"Incoming and outgoing of students and teachers/researchers. Also collaboration with foreign universities."

"Exchange of students and teachers between our university and universities in other countries. Co-operation in research between scientists at our university and scientists in other countries."

"Internationalisation at home + mobility."

"International collaboration in research and education. International exchange of students and staff. International textbooks and journals. Intercultural issues in education and research."

"Knight (1993): The process of integrating an international dimension into the research, teaching and service function of higher education."

"Operationally this unfolds the following activities: Internationalization of the academic curricula. Teacher and student mobility. Internationalisation at Home. Global-Local networking."

2. How do you define 'globalisation' in the context of higher education, from your university's standpoint?

The following answers were given in response to this question by those universities that did not take the word globalisation to mean exactly the same thing as internationalisation:

“Incoming of foreign students. Adopting the Bologna process enable[s] globalisation.”

“That the exchange and co-operation will be between our university and universities in all continents.”

“Globalization refers to ‘forceful changes in the economic, social, political and cultural environment, brought about by global competition, the integration of markets, increasingly dense communication networks, information flows and mobility’ (Reichert and Wachter 2000). This leads to a worldwide competition between higher educational systems and between individual institutions. This has a bearing on the fields mentioned above which are our university’s current tools for enhancing (globally) its attractiveness.”

3. What are the regional backgrounds of your foreign students?

Exchange students

	EU	Europe	North America	Asia	Africa	Oceania	South America
0 - 5	-	-	1	1	1	-	-
6 - 10	-	-	1	-	-	-	-
11-15	-	-	-	-	-	-	-
16-20	-	1	1	1	-	-	-
21-25	-	1	-	-	-	-	-
26-30	-	-	-	-	-	-	-
31-35	-	-	-	-	-	-	-
36-40	-	-	-	-	-	-	-
41-45	-	-	-	-	-	-	-
46-50	-	-	-	-	-	-	-
51-55	-	-	-	-	-	-	-
56-60	-	-	-	-	-	-	-
61-65	-	-	-	-	-	-	-
66-70	-	-	-	-	-	-	-
71-75	-	-	-	-	-	-	-
76-80	-	-	-	-	-	-	-
81-85	-	-	-	-	-	-	-
86-90	-	-	-	-	-	-	-
91-95	-	-	-	-	-	-	-
96-100	-	-	-	-	-	-	-
100+	3	1	-	-	-	-	-

Table 9: Exchange students from various regions of the globe.
Source: Constructed from Questionnaire responses

Two of the responding universities did not answer question 3 in this section. One university each has five or less, possibly no, exchange students from North America, Asia and Africa. One university has between six and ten exchange students from North America. One university each indicate they have sixteen to twenty students from each of Europe outside the EU, North America and Asia. Only one university has between twenty and twenty-five exchange students from Europe outside the EU. Three universities have EU exchange students in excess of 100 and one university has non-EU European students in excess of 100 on exchange programmes. One university gave the answers as percentages: 73% of all exchange students are Europeans, including 69% that are EU members, 15% are from North America, 5% from Asia, 3% from Oceania, 1% from South America, and none from Africa. One university did not answer this question. On the whole, only one university each has exchange students from Africa and South America and they are not more than five in number.

Direct admissions (only persons NOT ordinarily resident in Sweden)

	EU	Europe	North America	Asia	Africa	Oceania	South America
0 - 5	-	1	1	-	1	1	1
6 - 10	2	1	-	-	-	-	-
11-15	-	1	1	-	-	-	1
16-20	-	-	-	-	1	-	-
21-25	-	-	-	-	1	-	-
26-30	1	-	-	-	1	1	-
31-35	-	-	-	-	-	-	-
36-40	-	-	-	-	-	-	-
41-45	-	-	-	1	-	-	-
46-50	-	-	-	-	-	-	-
51-55	-	-	-	-	-	-	-
56-60	-	-	-	-	-	-	-
61-65	-	-	-	1	-	-	-
66-70	-	-	-	1	-	-	-
71-75	-	-	-	-	-	-	-
76-80	-	-	-	1	-	-	-
81-85	-	-	-	-	-	-	-
86-90	-	-	-	-	-	-	-
91-95	-	-	-	-	-	-	-
96-100	-	-	-	-	-	-	-
100+	1	-	-	-	-	-	-

Table 10: Non-resident free movers.

Source: Constructed from Questionnaire responses

Five respondent universities have five or fewer students directly admitted from Europe outside the EU, North America, Africa, Oceania and South America. Two universities each has between six and ten free movers from EU member-states and one has the same number of students from Europe outside the EU. Between eleven and fifteen students have moved from each of South America, North America and Europe outside the EU to study in Sweden on their own. One university claims to have between sixteen and twenty students from Africa; one additional university has between twenty-one and twenty-five free moving African students. Twenty-six to thirty students from each of Oceania, Africa and within the EU are on direct admission at each of three Swedish universities. One university each has between forty-one and forty-five, sixty-one to sixty-five, sixty-six to seventy and seventy-six to eighty students from Asia who are not on exchange programmes. Only one university claims to have over one hundred EU national students who are not on exchange programmes.

4. What factors determine the choice of university/ country with which your university has exchange agreements outside the EU?

Responses given in answer to this question are:

“Highly respected universities with good quality.”

“Often based on research collaboration.”

“Usually personal connections through collaboration.”

“Quality.”

“Good academic quality, interesting area for our students, academic contacts, language of instruction – English.”

“All schools at [...] university have an operative responsibility for initiation, maintenance and development of their respective partner institutions, always based on their specific need for developing internationalized programs, sometimes joint educational programs. In the near future there will be (I hope) unfolded a general policy and strategy for Internationalization at [...] university, comprising the following activities: Internationalization of academic curricula, Teacher and student mobility operations, Internationalization at Home, Global-Local networking.”

5. Does the university influence the following matters with regard to foreign students?

Issue/ Answers	Yes	No	No Answer/ Other
a. Visa regulations	1	5	
b. Residence permits	2	4	
c. Employment	2	4	
d. Communally provided accommodation	5	1	

Table 11: Entry facilitation for foreign students.

Source: Constructed from Questionnaire responses

Explanations given in response to how the universities influence these matters are:

“By sending an admittance summary list to the Migration board and to Swedish Consulates all over the world.”

“Bring up problems with the Migration office.”

“Giving students the correct information.”

6. Why would international students choose to come to this university to study?

This question was answered in the following ways by the various universities:

“Interest in Sweden, interest in a specific program, the fact that we do not charge tuition fees.”

“Our university is a dynamic university with high quality in education and research and a lot of programmes and courses in English. We have a vital campus and the student life is extremely rich in sports and culture. The city of Umeå has a young population with a lot of international colour due to the roughly forty different nations represented.”

“No tuition fees. Old and good university relations. Nice region, city and campus facilities.”

“Well known, comprehensive university.”

“Some special programmes (e.g. space technology), the location in the north.”

“[...] has a good reputation and does not charge any tuition fee.”

A significant number of universities define internationalisation and globalisation in the same way. In their definitions, they have mainly depended on the internationally accepted definitions given by Knight (1993) and Reichert & Wachter (2000). In practice, globalisation means mainly exchange of students/lecturers and “extensive research co-operation both on an individual and network basis.” Only one university

mentions “international textbooks”. Internationalisation also means adopting the Bologna Process, a process about which Swedish universities are so far ambivalent, as well as “worldwide competition between higher educational systems and between individual institutions.” This is principally with Europe and North America, as the literature shows. The majority of buyers of educational services outside their own home countries come from Asia, South America and Africa. With these regions, as both the data and literature attest to, there is not a significant exchange, there are no traditional ties, there is little contact, and minimal effort at recruitment. The recognition that globalisation also means competition for universities means a number of things. In the least, it would mean competition for positions of excellence, and competition in the global education market for students. This would naturally mean mainly fee-paying students, where the focus is principally on the Masters Degree level students as fewer students go abroad for undergraduate studies and doctorate students are exempted from Swedish fees regime. Since home students cannot be contemplated to pay fees, and since the data shows that few fee-paying students would come from other developed nations with adequate higher educational facilities at home, the students have to come from the developing countries. This is why the target for fee-paying students that has been proposed is the developing regions.

The overriding determinant of contracting exchange programmes with universities or countries is “good academic quality.” Such co-operation is initiated through “usually personal connections.” The country in which the foreign university is located has to be of interest to the Swedish students and researchers, and the universities have to offer instructions in English for exchange to be possible. All of these criteria would tend to exclude, and may explain, why there is little exchange between the regions Africa, Asia and Latin America and Swedish universities, and why Swedish universities are focused on other Western nations. Quality is not defined and when globalisation is also tied to the Bologna Process, an intra-EU academic integration process, and English, then a large proportion of the world is excluded as possible networking areas.

From the answers to the questionnaire, there are no indications of ways in which Swedish universities influence policies on visa or residence permits for foreign students coming to Sweden to study. What they do is only to confirm to the relevant authorities that a student has been offered admission. Foreign students in Sweden who desire, or even need, to work to raise money may not get help from their universities.

Unless of course they are doctorate students, who are required to be offered employment by the university. The universities, however, have arrangements with communal housing authorities to provide student accommodation.

The question “Why would international students choose to come to this university to study” seeks to find out the unique selling proposition of both the Swedish higher education system as a whole as well as each individual higher educational institution. The key selling point of a majority of the universities is that education is tuition-free. Some universities also have the strong point that they offer specialised programmes that are not available at other universities in the country, e.g. Space Technology. Other advantages the universities claim to have include “good reputation” and “Old and good university relations”. The use of English in teaching some courses and in communication within the country also counts as a selling point. A good number of respondents also highlight the aesthetics and social life, both of the university campus as well as the local city or region. Campus aesthetics and social life constitute some of the tools of attraction employed by entrepreneurial universities, as Clark (1998) indicates. Some universities also think that a general interest in the country would attract foreign students to their institutions. This is often true of European students on exchange programmes who want to experience the environment and culture of Sweden for a short period. Outside of Europe and the West, a few people might be curious, but it is doubtful how much young people know of the quality of life, environment and culture of Sweden to be attracted by such to come study there.

Education as a Tradable Service

1. What is the view of the university on education as an export industry?

The answers were:

“[...] considers a large number of international students as an incentive [incentive] of increasing the quality, both of the students and of the education at [] as a whole”.

“We don’t consider education as an industrial activity”.

“Not an ‘industry’ as we are not allowed to ‘earn money’ on education”.

“The university does not see education as an export industry”.

“The university has not decided on a definite position”.

Question/Answer	Yes/ Positive	No/ Negative	Unanswered/ Other
2. Given appropriate conditions, would the university engage in the commercial provision of educational services?	3	2	1
3. Does the university have the capacity to deliver education as a trading good?	3	2	1
4. What is the view of the university on GATS, the General Agreement on Trade in Services, which highlights educational services as trading goods?	1	1	4

Table 12: Views on the commercialisation of education.

Source: Constructed from Questionnaire responses

5. What would be the most likely option(s) for exporting HE services, and why?

(Tick)

- Cross-border supply
- Consumption abroad
- Commercial presence
- Presence of natural persons

Some of the universities see the global commercialisation of education as an incentive to improve the quality of the education they offer, in order to be more competitive. Other universities do not see education as a tradable commodity – education services for them do not constitute “an industrial activity.” Only one university answered question 5, indicating the cross-border supply option of delivering educational services – distance education via e-learning or virtual universities. One university did not answer question 2. Half the number of responding universities would engage in the commercial provision of education, given the chance. This may not be different in style from what they already do, offering contract programmes both at home and abroad. The same number of universities also thinks they have the capability to offer education on commercial basis. A good number of respondents are negative to the commercial provision of educational services. The nearly equal division between those who are positive to it and those opposed to it might mean that they may be positive to selling it, but negative to opening up for competition on their own ground, e.g. having foreign private universities competing for students and financial resources with them in Sweden. Most of the universities did not express an opinion on the General Agreement on Trade in Services, which highlights education as a tradable

commodity. Few of the respondents are positive and an equal number of respondents are negative to it. That most Swedish universities refuse to express opinion on GATS and educational services is indicative of the specific Swedish situation that most policy initiatives are taken by the government and then executed by the universities. Thus it is the government that has to take a stand about GATS and then the universities will tow the line. Meanwhile, however, the universities “are not allowed to earn money from education”. On their part, the universities emphatically refuse to see educational services as tradable goods. The preference for cross-border supply on small scales while refusing to accept education as a commercial activity is indicative of the absence of entrepreneurial ardour.

Chapter Seven

PRESENTATION AND INTERPRETATION OF INTERVIEWS WITH MEMBERS OF PARLIAMENT

Interviews were conducted in two phases, with representatives of the three categories of institutions that determine and execute higher education policies in Sweden. These were the Ministry of Education, where the Chief of Staff stood in for the Minister; the parliament, where education spokespersons representing various political parties on the Parliamentary Committee on Education were interviewed. Only two of the seven parliamentary parties declined to be interviewed. Finally, Vice-Chancellors of universities were interviewed. In some cases the deputy vice-chancellors stood in. Some of the universities that were interviewed were very old and others were new; comprehensive as well as specialised universities were interviewed.

In this chapter the interviews with the legislators and the Ministry of Education are presented. There were eleven questions in all, three on governance, five on entrepreneurialism and three on globalisation. The questions and responses are presented below.

1. How much autonomy would your party like universities to have?

Different interviewees understood autonomy as different degrees of freedom and it was the word they also used most frequently in place of autonomy. For some parties, the “basic view is to have sort of free universities”. However, they do not envisage them to be as free as the foundation¹ universities established in the early 1990s. Other parties think of autonomy as relating to academic freedom, because “it is very important for the Swedish system, the academic freedom, that a researcher decides what he would research, that education is not steered from the political end” (Damberg). There are those, however, for whom it means both independence as an institution, as well as academic freedom within the institution. This freedom would enable the university:

¹ Established in 1994 by the Conservative government, Foundation universities are privately run. They are registered as stock companies. In a teaching and research contract between the government and Chalmers University, the university was referred to as *Högskolebolaget* – university corporation. See http://www.chalmers.se/en/sections/about_chalmers/history/a_brief_history_of_c/the_new_chalmers (accessed 13/02/08)

to be able to criticise the society and should not be steered in detail, in any case politically, but that they should be able to research and put questions of any type, even the ones that politicians do not like (Nilsson – interviewee).

The Vänsterpartiet, in any case, thinks that the degree of freedom is becoming bothersome, since in the latest advance in that direction the government has given the universities the right to appoint their own boards, of which the vice-chancellor could even be the chairperson. The party makes a comparison between the university and a company and wonders if there was any company where “a managing director appoints the chairman of board”.

The government’s view is expressed by the Ministry of Education. The government, on its part, also desires to give the universities greater freedom, especially relating to “issues that concern property and rent matters” as well as greater influence over their own budgets.

Generally, all the parties, as well as the government, want to give universities greater freedom, but there is actually no indication that any of them wants to give the universities complete independence. What is understood by autonomy here is not as Clark (1998: xiv) envisages it, where “they risk being different; they take chances in ‘the market’” or Shattock (2003: 147), “a situation where an institution has psychologically broken free of the tramlines of state policies to chart an individual strategy” but the freedom to operate within given frameworks of regulations without detailed planning of the day to day operations of the university by the government. Freedom also means the freedom to decide on some aspects of the operations of the university, e.g. the curriculum, the programmes and how to appropriate funds that have already been allocated to the university.

While the politicians want greater freedom for the universities, there is no clarity about how free they should be. The major party on the right, Moderaterna, think “perhaps not foundation, it could be...” but the more important thing is a higher degree of freedom “compared to the current situation”. Even with greater freedom the Vänsterpartiet thinks “the boards or heads should not be [constituted of] only an elite... but that the general public is also represented”. This statement is a reference to the newly instituted change whereby the government no longer appoints board members to represent the interests of the public.

The rights of students, especially potential students, are also a concern in the discourse on autonomy. The rights of potential students should be secured, in such a

way that an autonomous university would not stipulate entry qualifications that could prevent sections of the society from gaining entry into higher education. While academic freedom is very important and universities should have freer hands over certain matters:

It is clear... society has an interest in watching both to see that there is quality and to steer to some extent so that there is education in the whole country and there are certain types of education. The academic freedom is very important... but the type of education available in the country is something the political system must have views on, since it is important both for economic growth and welfare in Sweden that we have highly educated people that would carry out those services that are required (Damberg - interviewee).

Universities in Sweden are seen as part of the infrastructure in the society. They are there as machinery to be used to achieve certain national objectives, e.g., as cited above, provide the high calibre manpower that would stimulate economic growth and generate ideas and personnel to maintain the welfare state.

2. *Would your party support financial autonomy for state universities, i.e., that they earn their own money and be self-sustaining?*

No interviewee envisages that universities should or would be given financial autonomy. They see financial autonomy for the universities as meaning that the universities have greater freedom in appropriating to different operations the funds allocated to them. Moderaterna – to the right of the ideological dichotomy – is of the opinion that this freedom would give universities “financial stability”. They hold that the foundation universities have financial stability due to their foundation status. Another centre-right party advocates a “mixture”. This mixture means that the state continues to finance universities as it does today, but that the universities develop further sources of income. They could, e.g., earn income from contract education and research for companies, organisations and public authorities, both at home and in other countries. Other likely sources are more entrepreneurial commercialisation of research results, donations, endowments and alumni fund-raising. All other parties and the government are also agreed on this. There is, however, caution from the parties to the left of the divide, about institutions receiving large sums of money from the private sector. The Miljöpartiet (the Greens), for instance, is wary that “would lead to research

developing in a certain direction”, whereby there is, as articulated by the Vänsterpartiet (the Left Party):

the risk that what they decide to engage at the university is only things that are commercially viable. Then there is the risk that whatever is not [commercially viable] falls apart (Dinamarca – interviewee).

One additional possible source of earned income for the universities is fees from foreign students. Here the opinions are apart, along the lines of the ideological divide. The parties on the right would support it and those on the left are against it. Some also take a middle ground. They think that it is good for the universities to cooperate more with private industry, not only as a means of diversifying their income base but for the benefits of technology transfer this would mean for the society in general.

One thing that would strengthen the universities’ financial freedom is the right to own real estate, which Swedish universities are disallowed from doing today. The parties all support this and the Ministry of Education says moves are afoot to make enabling legislative changes. Such a move would give the universities a hitherto unavailable means of boosting their own income generation plus resources for their activities that they would have total control over and deploy as they deem fit.

Even when and if the universities broaden their income sources and raise a lot of money themselves, no interviewee envisages that the state would give less on account of the incomes the institutions raise themselves:

because we believe that it is the state’s duty to contribute to such, those things that private enterprise does not contribute to... we believe that the state must take the responsibility of providing money for blue skies research (Nilsson – interviewee).

A further reason, given by another party, why the state cannot give less is the experience of some other countries:

... the experiences from other countries frighten some also. The experience we have seen of other European countries has not been that once they start to charge fees for higher education the universities and colleges automatically earned a lot more money to use afterward. It has often happened that the state had withdrawn its responsibility and reduced the support so that the colleges and universities have as much money as

before, except that they get it through fees instead of tax money, and one has got the inequality problem instead (Damberg - interviewee).

Greater freedom to act is envisaged. Yet, in line with the purpose of the university and the societal interest in it that the state has to protect, this freedom has to exist within “certain boundaries”. There also has to be performativity and control. The resources budgeted for the universities by the state should be seen to be giving results. These results must be measurable. In this way the state can satisfy itself that the monies go to the purposes the taxpayers allocated them for and not misappropriated. Therefore the legislative and executive arms of the state are in the process of developing a new funding system so that the funds a university receives, different from current practice, Nilsson explains, “will be tied partly to the quality of the research [and teaching] and partly to the number of students that seek admission to it”. The freedom to spend also comes with an accounting responsibility. Since it is tax money that is the source, “it has to be so that even a free university has to submit to the public audit so that they do not spend the money in an unlawful way, on things that the money has not been allocated for”. It is likely that this system becomes effective during this mandate period.

3. Would your party allow fully independent private universities?

The parliamentarians cannot contemplate fully privately-owned universities. Some “don’t think it will be a major competitor to the Swedish universities today” (Hjälmered) and others “don’t think it will be successful”. They emphasise that higher education must be funded by tax money, so that access is not determined by the wealth of the parents of potential students, and so that higher education can serve as a vehicle for social mobility. They “are not discussing” the possibility of fully private universities side by side with state universities. They point out, however, that there are three foundation universities. These are considered private universities, even though they operate on exactly the same legal framework as the public universities, get state funding on exactly the same criteria and are also supervised by the higher education board. Thus, it is only in this light that the right of centre parties that can think of fully private universities can accommodate such. Even these parties do not contemplate private universities that would be independent of state funding and which would have to charge fees of students for their education. On the part of the government –

constituted of a centre to right coalition – the Ministry of Education points out the existence of the foundation universities, which were allowed by the last Conservative government, but stresses that “there is no plan to continue in that direction just now” (Wallqvist).

However, should any educational entrepreneurs desire to start private universities in Sweden, the law is silent on it. And the legislators cannot think of passing a law to prohibit it. However, such a private university cannot automatically qualify for state subvention as the foundation or the state universities. In effect, what ‘private’ universities means in Sweden is that groups of individuals, for themselves as entrepreneurs, are managerially responsible for the institutions and make financial gains from them.

4. Swedish universities are waiting for political decision regarding participation in GATS (the General Agreement on Trade in Services). What is your party’s view on this?

There is generally little awareness of GATS. According to the Ministry of Education, “it is not something the political leadership has discussed”. Reference is made by many interviewees to the Bologna Process as the main route to the internationalisation of Swedish higher education, in addition to the bilateral agreements with universities in various countries and the agreements between Sweden and some countries. However, the Bologna Process, as is rightly understood, concerns European integration and is firstly intended to create a European Higher Education Area. In so far as trading in educational services is concerned, if the higher education area succeeds, systems within the region are streamlined and the quality is raised, then the region can compete for the rising number of international applicants in the international student market.

The interviewees recognise that there is a growing international education market and Sweden has to participate in some way, but such participation must not mean that Swedish or European students pay to receive education in Sweden. As the Folkpartiet’s spokesman explains, a balance is required:

my party is positive to the free market and private initiative and so on but at the same time we think that education is a societal responsibility also and everyone’s right to receive an education and everyone’s possibility to study irrespective of their economic

status must be secure. So it is not easy to say that it should be totally commercial... We are not ready to go as far as some other countries are ready to go (Nilsson - interviewee).

While the political parties on the right of the ideological divide are open to the commodification of education, they think of a commodification that affects only non-Swedes and non-Europeans. Furthermore, they are thinking of commodification more in terms of contract education, paid problem-solving research and the commercialisation of the results of viable blue skies research, and not at all in the way that GATS thinks of the higher education as a trade commodity. For the parties on the left, they “do not have the view that basic education or healthcare is a trade issue in the first place but welfare issues” (Damberg) and they “will not allow, e.g., for universities to be, or for research to be as any other trade product” (Pertoft).

For both sides, positive or negative to education as a tradable service Swedish education for Swedish people has to remain a welfare provision, where, as Nilsson and Hjalmered both contributed, “Swedish students who have finished secondary school have the right to study on favourable terms, and would not need to pay money for it”, because “the basic thing in Sweden is pay by tax”.

5. *What are your party's views on universities actively operating to earn money?*

This question was explained to interviewees as meaning that “there is a permeating thinking about earning money, so that in whatever they are doing the universities are thinking about earning money”.

“We do not have those types of universities and colleges really in Sweden,” was a direct response to the question given by the representative of the Social Democratic Party. He then pointed out that even at the foundation universities any excess incomes over expenses are reinvested in the operations of the institutions.

However, all the interviewees are open to Swedish universities making better effort to earn money. Nonetheless, any earnings they make would not come from tuition fees or through selling their basic services to their students as individual paying customers. They think the universities should earn money through the commercialisation of research results by setting up holding companies and establishing departments that actively work with patent registration and pursuing commercialisation, etc. Some parties are contemplating enabling legislative changes and the Ministry of Education is

thinking of providing funds to enable universities set up hubs to provide such services jointly. They also want universities to earn money through working in closer cooperation with public departments and private sector companies and selling their research services to solve problems. In these ways new services, products and jobs would result, which could earn money for the institutions and improve the economic development of the surrounding area.

Even so, some parties warn against the profit motive becoming the most important thing, and it is envisaged by most other interviewees that the earnings will be ploughed back into the facilities and services of the universities. However, Pertoft (interviewee) also wants the universities to be on the alert to see that this does not lead to them becoming “dependent on certain companies and their products”, because there is always, as Damberg also fears, the:

risk that this could come to steer the education and research so much that it would no longer be the academic freedom that would be operative in the researcher’s understanding of what is important to research but only those projects where they believe they would get money from outside (Damberg – interviewee).

While the Arts and Social Sciences do not usually make money, it is still easy to see the outcomes of research in these areas in the development of culture, the advancement of democracy and improvements in the quality of life of the society.

6. Does your party think universities should focus their research on outcomes that can be commercialised to make money for the institutions?

It is of course not possible to know in advance that the result of a research project would be a marketable product. This was realised by all interviewees. They think the universities and researchers should decide where their focus would be, whether it would be on blue skies research or applied research. What the politicians would rather do is support the commercialisation of research results into products and create employment opportunities.

7. *Does your party think that the suggestion to charge fees of students from outside the EEA should at some point in time be extended to cover all students at Swedish universities?*

The Moderaterna will accept the introduction of fees for non-EEA students, provided there are scholarships for poor students. The Social Democrats have nothing against it, so long as legislative provision is made to ensure that Swedish and European students do not pay fees. Such legislative provision has already been made, yet according to the Ministry of Education, the government has not given the executive order for it to come into force. The Vänsterpartiet and the Miljöpartiet are against fees for anybody.

Even for the parties that support fees for non-EEA students, and for the government, there is the dilemma of whether it would be beneficial for the fees to be introduced. One reason lots of foreign students are now coming to Sweden is because some universities are recruiting them to meet their quotas to qualify for full grants from the government. It is then because of these rising numbers that some think they should introduce fees. The Ministry of Education thinks this “is a forced route”. Yet the Ministry also thinks that the free education in Sweden might give outsiders the impression of poor quality education. In any case, introduction of fees has to be accompanied with funds for scholarships, otherwise there is the fear, divulged by the Folkpartiet, that for:

a little country like Sweden, it is not certain that we can get lots of students. We need international students; why would they choose Sweden if it is as expensive as studying in the USA, for example? (Nilsson – interviewee)

So, even though the proposal has been accepted by the government and the legislative provision has been passed guaranteeing Swedish and EEA students free education, implementation has been put on ice.

8. *Does your party support the removal of the exclusive right of university-based researchers to the research results?*

This issue has been actively discussed for several years but a resolution appears to be still far off. Opinion is divided over its removal. The Moderaterna think that it

should remain; they believe it would encourage other academics to go into research, and because it has always been there. Folkpartiet also thinks that it should remain and change should only come about if it is pushed by a high degree of commercialisation of results, which forces the researchers to realise that the university is better suited to commercialise their findings and that they need to give this right over to the university to exercise. It definitely has to be negotiated. Some also see it as an incentive for foreign researchers. Folkpartiet (the Liberal Party) puts together the argument as follows:

We believe that as long as the universities are as poor as they are in Sweden to get out research into companies I think that it would be shadow-boxing to remove the exclusive right. We think it could be an incentive for, among others, foreign researchers who would like to remain in Sweden; they know that they can earn something from their research (Nilsson – interviewee).

Both the Ministry of Education and the Social Democrats think that resolution is difficult. They see that there are arguments both for keeping or removing the teacher exemption. But the Miljöpartiet argues that “if the professor would work for Astra Zeneca, he would never own the research results” (Pertoft).

All parties agree on one thing though, that they want the commercialisation of research results to be taken seriously by the universities, strengthened and expanded, and that should be the point of departure for discussing what to do about the teacher exemption. Even the parties that see no reason why it should remain agree on this.

The broadest argument for removing it is made by the Vänsterpartiet. They argue that removing the teacher exemption is the way to create the best chances for the commercialisation of research results. They mention Denmark, Norway and Germany that have removed it, and suggest that Finland will very likely remove it. Their examples include also Italy, which recently introduced it, but where the researcher is obligated to report all discoveries to the university, which has the right to fifty percent of the income from the commercialisation of the result. Their argument, just as all others, has the facilitation of commercialisation of results as its basis. Their written supplement to the interview concludes:

The reason to remove the teacher exemption is not that the universities and colleges would receive higher incomes but that more research results would be made into products. In the

cases that the higher educational institution receives financial reward from the discovery, that ought to be reinvested (Dinamarca – interviewee).

9. *What is your party's view on Swedish universities' very weak interaction with institutions in Africa, Asia and Latin America?*

There is an interesting ambivalence about the answers to this question. On the one hand all the interviewees think that the level of cooperation with these regions needs to be improved. One of the ways they suggest this could be facilitated is by tying part of the aid that Sweden gives to developing countries directly to education. On the other hand the politicians, in a general sense, refuse to assume responsibility for this poor level of contacts. They say the universities decide which countries or institutions they cooperate with. And they normally elect to work together with reputable universities around the world.

Yet the politicians show concern for the situation and so does the Ministry of Education. The Vänsterpartiet, however, says that the weak contact between Swedish universities and institutions in Africa, Asia and Latin America:

is not a problem just when it concerns educational exchange... I think it is a problem we have, because the society as a whole does not have contact with those continents really... I think the reason for that is that we in politics do not ourselves develop those contacts (Dinamarca – interviewee).

While this interviewee sees it as a general societal problem and gives part of the blame to the politicians themselves, another expresses the frustration that the political leaders feel over the way the universities leave out certain parts of the world and focus mainly on Europe and North America.

But it is clear there is some frustration in the political arena when we talk of Sweden as a big aid country, e.g., development aid. We are saying that the aid is only a part of what is needed for the development. How the knowledge transfer is that ought to happen in the world, that is cooperation that ought to be... I think if globalisation has to be really of benefit then Swedish universities and colleges have a lot to gain by being on the ground even in those parts of the world... (Damberg – interviewee).

This view is shared by many others. One interviewee wants the universities to view these countries and their universities as the regions of future research development and invest in them, considering the age of the university in Europe and America. The Miljöpartiet posits that:

the future, the coming universities, they are not in Europe. In Europe we have had... or the United Statesuniversities for like... centuries. We have seen now how the universities in India, in China are becoming big. The next continent, well, to wake up, so to say, is Africa and why I think this [is] a big issue for Swedish universities, to help them to grow, also to learn, to build bridges (Pertoft – interviewee).

Some express the hope that while they can understand that most researchers are attracted to the United States, working through the Bologna Process would make it easier for Swedish students and researchers to come out to other countries. Another hope is that a European Union that is more open in commerce and trade would also create opportunities for continents such as Africa even in the educational field.

10. Does your party have an explanation for the thinking behind the decision to charge fees of students from Africa, Asia and Latin America but not Europeans?

Most interviewees explain that Europeans do not have to pay fees because of EU regulations. European students must receive similar treatment as Swedish citizens, so even though Swedish students pay fees in Britain, for example, British students cannot pay fees in Sweden, since Swedish students do not pay fees in Sweden.

Yet this does not explain why students from outside the EEA have to be charged fees. The interviewees do not really have an explanation for this. It came through, however, that the suggestion has come about because of an influx of Chinese students, especially to the medical school – Karolinska Institutet – and the Royal Institute of Technology (KTH) in Stockholm.

...that countries like China, for example, should not pay a part of the costs of their students studying in Sweden without paying tax in Sweden... would be a bit remarkable, not the least because of the economic growth that China has today. With

that development they should be able to make some contribution in any case to the education that they receive in Sweden (Damberg - interviewee).

Apart from that, the only explanation given is that the introduction of fees at universities, if it comes into force, would follow the pattern of “basic education for small children. One cannot have free education in Sweden if one is not resident here. I believe it is in parity with that, that it is those resident in Sweden that have free education” (Wallqvist).

However, they point out two things. One is that if the fees are actually introduced, then there would be scholarships to aid poor students from Africa, Asia and other developing countries. The second thing they indicate is that the fees are not likely to be introduced as proposed in autumn 2008. While the parliament has passed the law, it is:

understood... as a decision in principle to make it open but then the government has to make the decision for it to go ahead. The parliament has given the possibility but the government has not taken the decision yet (Nilsson – interviewee).

This is confirmed by the Ministry of Education. While it is open for discussion for the major parities, it is not however something the Left Party or the Green Party wants to consider at all. For them, there is no reason students from poor countries that Sweden should be helping to develop should come to Sweden to pay fees to receive education.

11. Swedish universities' contacts with Africa, Asia and Latin America appear to be focused on the big economies in these continents – the Republic of South Africa, China, India and Brazil. Is Sweden more interested in using educational cooperation for promoting business instead of solidarity?

With this question “You have put your finger on a very difficult point” the researcher was told. All the parties once more claim that politicians do not steer decisions regarding which countries the universities are focusing their attentions on. Damberg’s postulation for this is that “the successful countries have it easier to have cooperation”, not only in the sphere of academics but in other areas too.

The Vänsterpartiet answered yes directly and expanded the answer no further. The free-standing Miljöpartiet affirmed and indicated that “honestly... Sweden has moved in the last ten-fifteen years more from solidarity to business”, but this party would

rather see the country go in the opposite direction. The argument of this party, which claims it has fought for the raising of Swedish international development aid to one percent of the country's GNP, is that:

...you are thinking too short [term] if you just think business. Thinking of solidarity in the first instance is a way ...a longer term [way of] thinking business, because all these countries, also in Africa, will rise and will be our business partners in the future. Maybe it takes ten years or twenty years, I don't know, but if we invest in solidarity now it will be in business in future (Pertoft - interviewee).

Only one political party, the Moderaterna, thinks it is good for universities to focus firstly on business. Again China is cited as an illustration of how the business focus and solidarity are combined:

If you have a certain university in Sweden that says we want to start a new campus perhaps in another country or some sort of cooperation with another university I guess China could be, is definitely interesting. I mean, it's a growing economy; lots of Swedish companies are present in that country; we have a history of lots of Chinese students participating in Masters programmes in Sweden. So, not the least based on that I think that's an interesting country. Em... that is business and solidarity. I would say it's more business than solidarity when it comes to, I mean, how they act. And I think that's a good starting point for universities as well, to be honest (Hjälmered – interviewee).

While other parties do not come out straight away to say that it is business or that it is solidarity, the impression is that they think the situation is skewed, and what they do is try to go round the question by giving explanations for why it is so, and to offer possible solutions. Apart from saying that the matter is decided by the universities and that the institutions prefer other universities with a substantial level of resources and considerable level of research, one other explanation is that Sweden must regard these growing economies as competitors and must not only compete with them globally, but must also have meaningful presence in those countries:

...one has to understand that a technological country like Sweden is going to face very terribly hard competition from China, India and those countries. Therefore, it is very important that we should also be there and compete. Not only compete but to be in

those markets... we must have intensive contact with these countries that already have a lot of highly educated people. If Sweden should simply end the contacts with these elite Chinese universities and so on, we can quickly lag behind (Nilsson - interviewee).

The country just “has to hold on to two paths”, maintaining the intensive contacts with the fast-developing countries while focused on aiding business, as well as working with the poorer countries focusing on development. The solutions they offer to improve the skewed situation include, firstly, trying to hold Swedish international aid at a high level. Through this educational aid in different forms could be given to poorer countries. It is also recognised that the situation whereby fast-developing economies are preferred as cooperation partners presents a great risk that the poorer ones sink deeper into poverty due to the absence of cooperation. A “new view of developmental policy” is suggested. This new view is that such educational cooperation by the universities should be closely coupled with the external aid policy. To bring about this, there must be “some form of state engagement because the universities themselves do not appear to be able to cope with this” (Damberg). This has to be done, anyway, in a way that the universities do not experience it as too expensive for them to take on the aid role also.

In effect, educational cooperation should not be based solely on the level of development and academic standard of the foreign university, but must also take into consideration the need to show solidarity and help backward universities/ countries to advance. Therefore, while the universities should be given as much freedom of choice as possible, there is need for the government to also steer the matter of external cooperation to a degree. Doing so must however not come at an extra cost to the university. It might mean re-appropriating some of the resources already available for international development aid. For Damberg, the state “should be a driving force, maybe within the framework for aid policy, cooperation that makes it profitable even for universities to work in this way”. Additionally:

There is this balancing act. I think that we have to be smarter than that. We have to find a way of saying that it is not just economically interesting but that there is a developmental potential. Not the least, all these universities and colleges that position themselves within development work, within political science, environmental issues ... it is embarrassing that universities want to work with sustainable development or greenhouse effect without looking at, have cooperative work with, the poorest

countries in the world. There is not going to be any good sustainable [development]. There ought to be both moral and scientific argument for cooperation. But I think we decision-makers should work with smart steering systems that make it extremely [easy] so it is not felt as extremely expensive to work with this. That is something I think we should think about (Damberg – interviewee).

The other solution is a regional one. Some parties claim they are working within EU to “open the EU in a totally different way both in terms of education and trade to less rich countries in Africa and Latin America” (Nilsson).

Chapter Eight

PRESENTATION AND INTERPRETATION OF INTERVIEWS WITH UNIVERSITY VICE-CHANCELLORS

In the preceding chapter the first part of the interviews, with members of the Parliamentary Committee on Education in Sweden, was presented. This second part deals with the interviews with vice-chancellors of some Swedish universities. Interviews were conducted at six universities, three established in the 1990s and three others established between 1477 and 1965.

The questions put to both the parliamentarians and the vice-chancellors were similar in many respects. E.g., the question on autonomy was put to parliamentarians as: how much autonomy would your party like universities to have; whereas the same question was put to vice-chancellors as: how much autonomy would you like your university to have? The results are presented below.

1. Please explain how the central administration of the university is set up and supported to indicate the key influences in decision-making and resource allocation.

All the universities basically have a three-tier management system. These levels are the board of the university, the university management and the faculty boards. They also have the traditional administration that handles accounts, personnel management, student and technical services. There are of course some variations at different institutions. One such variation is that at one university they have a University Director, “who is a type of CEO of the whole university”. Another university has a dean for all academic matters, whose position is “parallel” to that of the vice-chancellor. One vice-chancellor reveals that a key management group within the institution is the “Vice-chancellor’s Council”, which is an informal organ made up of the university management and four deans of faculties.

The boards of the universities were until recently appointed by the government and were composed of representatives of industry and the civil populace as well as academics and students. The board is nominated by the university to the government to confirm, and it then appoints the vice-chancellor, who is also a member. The university board decides over budgets and overarching strategic issues, regular or annual accounts as such, “and it is understood that the university board cannot have influence over the

daily running of the institution” (Bremer). The board makes its decisions based on proposals laid before it by the vice-chancellor. The proposals follow the policy direction for higher education indicated in the government’s annual budget. Usually the board meets six times a year.

Common to all universities is that the vice-chancellor has the responsibility for the day-to-day management of the university, having received the assignment from the board. The vice-chancellor makes all formal decisions, is assisted by the university management, the composition of which varies slightly from one university to another. They normally discuss the structure of the budget, areas of investment, etc. The management helps to formulate the general policy that the vice-chancellor executes.

At the faculty tier, the faculty boards develop tasks for the departments. Such tasks cover undergraduate education programmes, “research areas, research profiles [and] to develop research to support the research profiles of the university” (Palmer).

Funds that come to the university from the basic block allocation from the government come to the central management and it is the vice-chancellor who decides how resources are allotted to faculties. The vice-chancellor generally devolves the funds to the faculties, who in turn share them downwards to the departments. Competitive research funds belong to the individual researcher or the research group that has secured the grant, but they are still formally under the control of the vice-chancellor.

On the whole, however, decision-making and resource allocation are very decentralised. Decisions directly affecting the faculties and the departments are made by the faculty boards and resources are sent downwards to where the jobs are actually done. This is summarised by one vice-chancellor as follows:

One can then also say that the university is decentralised in that way, that a lot of decisions and issues are delegated downwards either to the faculty or to the departmental level. And we broadly send down to the faculties most of the money we have and the faculties send down most of what they have to the departments. So we do not have... at the university level, e.g., there is no reserve pot... On the other hand, there is a university board decision that the vice-chancellor or the university management simply can take any amount that is needed for strategic investment. One can say that the pot is zero and everything. This tactic has meant that quite a lot of millions have been invested on strategic investments that pop up. We can then find the money afterward. That is about how the university is managed (Bremer - interviewee).

2. *Please explain the relationship between the university and the state, in terms of funding, supervision and monitoring.*

Swedish universities are state authorities. They get their policy direction spelled out yearly in the government's budget, and they also get their funds from the budgetary provision. Each university prepares a budget underlay for the Ministry of Education, which then submits an input to the budget for all universities. The government then makes a proposal for the approval of the parliament.

All, or almost all, of the funding for undergraduate studies is directly allocated to the universities by the government in its annual budget. What a university gets depends on how many students in each programme it has undertaken to educate and how many complete their programmes. In effect, there is a fixed price for educating each student depending on the programme, with those in the sciences and Music being the most expensive and the Humanities and Arts the cheapest. It happens also that some companies sponsor students and they pay for the education. At one university the income from this source accounts for only 0.5 percent. The universities negotiate each year with the government what their limits in admission to each programme will be.

The direct allocation for postgraduate education is about forty percent. The rest is competed for from funding bodies. However, the funding bodies also are giving out state money. In addition, universities may get grants towards research from companies and the EU or from other research funding bodies world-wide.

Once the universities get the funds, they have a great deal of freedom in how they allocate the funds to tasks. The new right of centre coalition government that came to power in September 2006 has indicated it would give the universities still greater freedom. It has demonstrated this, as Myhrman says, by not itself earmarking the extra research funds allocated to universities this year "instead, it is in a special pot and we have the trust to allot between the different areas of study".

There does not appear to be any close monitoring. Supervision of the universities' work is carried out both by the Högskoleverket and the universities themselves. The Högskoleverket evaluates all university programmes in six-yearly cycles. So far it has not happened, but the worst that could occur is that a university that is performing very poorly in an area could lose the right to award degrees in that particular area. The supervision by the board also has to do with ensuring that the universities work within the framework of the higher education act, especially

concerning the rights of students, ensuring that there are always possibilities for students to exert influence on how the programmes are developed.

Research education is not evaluated by the board and there is no central body for such. This is instead done internally by the university and to some extent by the research funding bodies, notably the Swedish Academy of Sciences, in connection with the projects for which it has given funds to the universities. The internal audit often takes the form described by the Vice-Chancellor of Karlstad University: “a faculty looks at another faculty, wholly, that is, research, teaching and management; internal peer-review, one can say”. It also takes the form of “regular collegial peer-review, where colleagues from all over the world evaluate the research” (Palmer).

The six-yearly evaluation by the Higher Education Board does not lead to a ranking of the universities, as is done in Britain. However, there is still a pecking order, depending on the size and age of the university. The older and larger universities appear to receive higher allocations of funds which give them an edge. This is explained in this way by Nybom at Örebro University:

The competitive funding is precisely as in the UK. The law of Matthew occurs, those who have get more and those who do not have get no money. There is that tendency and very strong also.

3. *How autonomous would you like your university to be?*

The issue of autonomy is “a very central question that is being discussed between vice-chancellors of universities and higher educational institutions in Sweden and we all will have a higher grade of autonomy” (Bremer). Autonomy is generally interpreted as degrees of freedom to act. There is rarely the thought of autonomy as total independence from the state, what in Swedish is called *självständighet*. This state of mind is understandable since autonomy is coupled with resources. Only those who have the resources to be independent can be truly independent.

One degree of freedom the vice-chancellors desire is doing away with the status of state authority. “The universities have a special place in the knowledge society and they ought to have a special place in relation to other authorities”, according to Snickars of the Royal Technical College. The desire for this special place is explained by another vice-chancellor as follows:

And we all will have a higher grade of autonomy and what we think is bothersome...what the universities think is bothersome is... the fact that the universities are state authorities. A state authority shall in principle carry out the government's policy. We think it is an odd situation that universities should carry out government policy. We think rather that universities should have an independent power in the society, its own voice. That is what even many politicians think. At the same time, there must be [some] sort of influence from the general public through the government and the parliament about what the universities are doing. But this is a question that is often discussed. We have a higher education law and higher education ordinance that regulate the universities, what the universities can do and have to do. We think that it is too detailed, a thick book, with a lot of detailed steering of how we shall behave, when we employ professors and lecturers, for example. We have talked for a long time that we should remove such massive detailed direction and the government also thinks that it should be reviewed but not much has happened (Bremer – interviewee).

Others have a different view regarding this kind of autonomy. Another vice-chancellor sees the university as part of the infrastructure of the society and should act as such so that it would contribute to society achieving its objectives, especially the social objectives:

But I understand also... even as a citizen I think that universities and colleges should also have as their point of departure the public policy concerning equality, equal opportunities in all its possible forms. Equal treatment, if one takes an example, the role of seeing to it that admission is so wide-spread as to cover all areas, so that it is not only traditional student groups that come into education. We are, you understand, a part of the society, an important resource in the society. We must naturally take part in working to see that the society's goals are achieved. For me there is no conflict with the academic freedom, so long as we hold it at a general level (Palmer - interviewee).

Rather, the autonomy to safeguard in this case is the academic work, the freedom to determine what to teach and what to research as well as the quality of the teaching and research. Furthermore, universities yearn for relief from detailed steering when it concerns the employment of professors and other grades of personnel.

Some university leaders do not think that autonomy should mean freedom from the state. Some would like foundation institution status. Some think of a status where

they are “public but not state”. Freedom from the state will bring about uncertainty in the flow of money for the university’s work, whereas dependence on the state gives stability and freedom. Greater autonomy would make the university become more like a business concern. Noren opines that in such a case “one must function as a very active company to compete for resources”. Still others think that the universities should progress towards being more like business. They want their own form that would enable them to build up the business aspects of the universities’ activities. They would even go as far as the transformations that have occurred with telephone and railway companies, which used to be state-owned works.

That autonomy has much to do with funding is a view that is expressed by many interviewees, recognising that the university could be formally autonomous but be unable to assume the autonomy in reality because of the lack of own resources. It is lamented that “there is a shortcoming in the Swedish system in that one does not have one’s own resources to be able to use the autonomy as much as one would like to” (Nybom).

4. Is there a drive for this autonomy and what are the internal factors that influence the university’s drive for autonomy?

The answers to this question indicate a drive for autonomy. However, it is not individual institutions that are fighting to be autonomous. It is true that if:

one goes to a department, researchers, professors and so on, they are naturally for as little control as possible. We are agreed on that point, but it is not they that pursue the issue, but the vice-chancellors collectively (Bremer – interviewee).

The internal factors that ginger this drive for autonomy, perhaps not surprisingly, are articulated only by a few of the respondents. Mälardalens University says that its internal drive for autonomy is its long tradition of working together with industry. Autonomy would enable it to expand and extend this cooperation.

What is our ... what is this college and university’s driving force is that we have a long tradition of cooperation with industry and now we are working on a strategy that would enable us to further extend it. So I would like to form partnerships and establish common organisations in another way – companies in certain cases, because that has a

clear structure – with businesses to pursue certain research and development activities (Palmer – interviewee).

Autonomy would thus give this institution “greater possibility to structure the way we work, not be bound by state authority, where we cannot enter into agreements really”.

The Royal Technical College sees the question of quality as the driving force for autonomy. It would like to have the autonomy and resources to plan longer-term, in order to achieve higher quality. An example given is that research funds competed for from funding bodies, even when described as long-term, “are never longer than the research council’s programme periods, which can be three to five years, perhaps up to ten, but on our part, we invest in professors for twenty, thirty years when we employ them” (Snickars). The university believes that the lack of independence to plan on longer terms is an “important factor in our competitive ability in the international research society” (ibid.)

Some are cautious about the debate about autonomy. One vice-chancellor says that autonomy may enhance only the academic freedom. However, those who advocate autonomy are thinking mistakenly that they could do as they please, “what they do not realise is that they would do less of what they think and more of what the head wants if we become autonomous” (Noren).

However, the debate is on, and in the words of Nybom, it is “a very intensive discussion in the whole of Sweden, that the old status that the university has must be reformed”. At this time, how and when the change will come can only be guessed since the people who can influence it have different opinions about it. But some strongly believe it will go towards a system that is “public but not state”.

5. *Do you envisage a time when the university would be so autonomous it would consider the state’s contribution to its sustenance insignificant?*

The answer to the question about the possibility of the state’s financing of higher education becoming less significant is a strong no. There are two major considerations for this. One is the welfare aspect and the deeply buried notion that education is a public good. One vice-chancellor answered, “Never! For me higher education and research are common goods that have to be always financed by the state with tax resources” (Snickars).

The second point of consideration is the size and stability of the funding. Today all or almost all of the funding for undergraduate studies comes from the state. While direct allocation for research education accounts for about forty percent of the funds, the competitive funding from research councils is also actually state financing. One university points out that the state allocation for research education has been falling and universities are actively looking for other sources of funding; they are, for instance, building up alumni and fund-raising activities, “but it is still naturally so that the contribution of the state is significant. It is large” (Myhrman). Another vice-chancellor paints the following very vivid picture totally encapsulating how difficult the question is:

But it is difficult to say that it is possible. For me it is a very long way. I cannot say that in the next twenty, twenty-five years it would be possible to change the system so that we can depend on student fees and company contributions and donations and such. We are carrying on such discussion with the regional industries and the councils, and it shows how difficult it is really, to get a volume that is in any way near the state contribution. I think it is little, but it is way bigger than what is possible to gather together. Think how difficult it would be to raise fifty, hundred million at once. And with the state it is every year, year after year after year. It is several hundred millions. It is difficult to raise (Palmer – interviewee).

6. Swedish universities appear to have a weak interest in GATS, which is the General Agreement on Trade in Services. Could you explain why?

There is not much awareness of, or thoughts about the GATS. Answers to this question include, “I don’t know anything about it” and “I don’t believe that GATS comes up in the Swedish discourse a lot”. Any thoughts about the commodification of higher education concern the conversion of research results into products and building holding companies to facilitate this. Otherwise, commodification of higher education is thought of in terms of the contract education that is packaged for organisations, local authorities and companies.

There are two discernible reasons for this. One is that the ordinance forbids the commercialisation of education, where the individual student pays to receive education; that is, the ‘normal activities’ of the university cannot be carried out with a profit motive. This is the tradition. As one interviewee explains, “...with the tradition

that we have, we don't see ourselves as part of that [trade] sector. It's that simple, in the same way that we don't see the health service" as a service belonging to the trade sector (Palmer). It is suggested, instead, that a way for the society to recoup the investment in education could be by developing a system that enables a smooth transfer between education and the labour market, so that those who have received higher education can meaningfully contribute to the development of the society.

7. If you were to decide to charge fees, what would drive it and who would you ask to pay?

One interviewee, Snickars, vehemently opposes the introduction of tuition fees for even foreign students. "My position is that education is a common good," according to him. Two other interviewees are also opposed to tuition fees. One of them proposes that if the worry is the number of foreign students that would come to Sweden to take advantage of the non-fee regime, then the government could set a ceiling on the number. A further reason for not introducing fees for non-EEA students, in the opinion of this interviewee, is that those institutions in other countries that charge fees do so "very much to earn money, with too little thought about the possibilities of raising the quality and internationalisation of the studies this should mean"(Noren). The other opposes fees for students from outside the EEA because, as has been suggested, it will not be profitable for the universities, anyway. The provision is for the universities to charge only the cost of providing the education and nothing more. It would cause bureaucracy within the system and would be politically unrealistic.

Some universities think, though, that fees will be introduced at some point in the future. One vice-chancellor points out that all other European countries except Sweden and Norway have fees of some kind:

I believe the first [step] is to start to take fees from non-European students and then it comes. But I believe it would still be a long way to the American fees or even the English fees (Nybom – interviewee).

Still some would like to have fees. And they envisage that everyone, including Swedes should pay. One university that wants fees introduced does not see it as a means of making money from the students, but as a control mechanism. The

interviewee suggests that the universities make effort to provide facilities and make all arrangements to do their work, but there are no corresponding demands whatsoever on the students. Many students do not complete their programmes and they do not care since they have made no contribution. Students abandon their programmes once they get jobs, and the trend rises in times of a good economy. Generally, students want to live the same standard of living as every other person in the society. The interviewee says that students want to spend their own money on fun while parents “and the state should be responsible for the necessary things that don’t appear to be fun” (Palmer). The vice-chancellor suggests a token fee, not anything near the American or English fees, but something to make the students feel they are making a contribution and ensure their commitment to their studies.

But falling state allocation is the reason another university would want students to pay fees. Uppsala University claims that there is nowadays “a poorer precondition for providing our education. Our students receive too little teaching if we compare to other countries”. Since more than the state gives is needed to “provide as good an education as possible”, one way of getting such additional funds would be “by making some students pay”. But there is uncertainty as to who should pay, and the university cannot speculate on “where the state is going to land” on this, except that so far the suggestion on the table is that students from outside the EEA could be charged fees.

8. *At Swedish universities the individual researcher or research group controls the research grants and owns the results of the research. Does the university bear the cost of the facilities used for the research? And how does this affect commercialisation of research results?*

A slight correction was made to the premise of this question by a number of interviewees. It was pointed out that the university, or faculty board, had formal control of the research grants. But, yes, usually the research group got everything that came to them.

It is true, though, that the individual researcher or the research group owns the results of the research. It is called *lärarundantaget*. To remove or not to remove it, that is the question. All interviewees say that it has continuously been debated for a long time. Still there is a difference of opinion as to the value of removing or retaining it. Not only do the opinions of the vice-chancellors differ, but the Ministry of Education

and government also disagree over it, a vice-chancellor reveals. The debate is further confused by the fact that studies of other countries show some introducing it where they did not have it previously and others removing it. It is like a mud fight, because the opinions of the universities are not delineated on the basis of their sizes or ages; both old and new universities stand on both sides of the argument.

One vice-chancellor speculates that if Swedish universities become more like business then the teacher exemption will be removed, because it would not be tenable in the logic of a business environment, but if they remain as they are now, then it would be difficult to remove it. Another opines, in close agreement, that if the universities become very successful at commercialising the results of research then the teacher exemption would go.

Many interviewees are agreed on the limiting effect of the teacher exemption on the commercialisation process. One vice-chancellor says that it is limiting “because there is no incentive for the universities to provide support for the researchers or to see to it that the results are well exploited since the university gets nothing for it” (Bremer). There is disagreement even about its limiting effect on commercialisation of research results. One vice-chancellor says that no one actually knows that it does since no one has studied this matter. For some, it is rather “limiting to consider this question from the point of view of cost” (Snickars), because as far as we can look into the future “incomes from commercialised research results will never be an important source of income for the educational institution” (ibid.).

Still, all universities are seriously pursuing commercialisation now, using various approaches and egged on by the government. At one university an audit of all research groups has been taken and they have been offered the assistance of the Director for Co-operation if they need assistance with commercialisation and many researchers are happy with this. Of course it is known that many have set up holding companies or other such arrangements have been made for this purpose. Yet one vice-chancellor thinks that some universities are not equipped well, they lack the professional skills to engage in the commercialisation of research results. The suggestion of this interviewee is that it would be better for the university to hand over the research results to another organisation that has the professional competence and the seed money to commercialise the results, knowing that most attempts do not come to fruition but result in financial losses for the institutions. Still at another university they are

expanding their activities relating to commercialisation, and “it is deal all the time” as the researchers negotiate terms with the university for the university’s help.

On the question of payment for university facilities used for research many interviewees say that researchers who get competitive grants normally contribute something to the common pool for facilities, the space, laboratories and equipment.

9. *The Högskoleverket has published a long list of services university students should pay for or not pay for. Do students pay full costs for those services they pay for, e.g. photocopying and which of those services the board has barred would you charge for, if the university were autonomous?*

The list compiled by the higher education board is very long, yet still not exhaustive. Examples of what should be paid for include course books, license fees for those taking professional courses like piloting, etc. Things that should not be paid for cover anything that has to do with the basic facilities for delivering the education. Many interviewees appear not to be very conversant with the document. However, they are generally aware of what students pay for, e.g. photocopying or late return of library books. Those things the students pay for they do at cost or subsidised prices. There is no indication that students pay market prices for services provided by the university. The payment for late return of library books is a penalty intended to aid effective use of resources.

The vice-chancellors all have examples of things they think the students should pay for but which as it stands the higher education board has decided otherwise on. One vice-chancellor narrated that students went on an excursion trip and paid their own transport fares but the board forced the university to refund the fares to the students. The university would want students to bear such a cost themselves. But another interviewee thinks differently. This interviewee thinks that paying for such excursion is a student recruitment expense since it is a way to attract students to the university. Another interviewee thinks that students who go abroad on placement for short periods, e.g., going abroad for a month or so to polish up their language skills, should pay their own living costs, which the university does now. The vice-chancellor sees it as the students making a contribution towards their own education, sharing in the responsibility for it.

It appears, though, as one interviewee explains, that what decides it is whether or not the programme element for which the expense arises, such as travel expenses, or expenses in relation to practice placement in another country, is an obligatory part of the programme. If it is compulsory, then the university ought to bear the cost, but if it is something the student him/herself decides to do, then the student should pay for it. Another vice-chancellor suggests that it might be a good idea to look for ways of arranging practice locally, so that instead of students studying Spanish travelling to Spain for a month of practice, this practice is taken somewhere/ somehow in Sweden so that the issue of extra expenses does not arise.

10. Please briefly illuminate your university's bilateral or other forms of contacts with universities from the following regions and explain the paucity of programme students from these regions: Africa, Asia, and Latin America.

All interviewees declare a burning interest in expanding the internationalisation of the education at their universities. A rising number of international students are coming to Swedish universities in general and there are steps being taken to facilitate home students travelling abroad to spend some part of their study periods at universities in other countries.

However, the main focus is on Asian countries. Many Swedish universities have ties with large numbers of universities in several Asian countries such as China, Singapore, Hong Kong, Japan, Thailand and India. Apart from this “regular and quite large cooperation” some are in the process of “expanding exchange agreements with Asia”. One relatively new and small university reckons that it has up to two hundred exchange agreements with Asian universities, including having premises in India for receiving its Religion and Education students on visit.

Another university has secured scholarships from large Swedish international companies that have interests in Asian countries through which twenty-five students annually come from India to do a Masters programme at the Swedish university. The university profiles itself in computer programming and software engineering. The Indian universities that the companies work in cooperation with select the students.

As one vice-chancellor pointed out, “Quite a lot is happening in Asia and the development is very strong there” (Bremer). On the other hand, “In Africa there is very little happening, unfortunately” (ibid.). Cooperation between Swedish and African

universities is focused mainly on the Republic of South Africa, which “has a long connection with Swedish educators”, according to the Vice-Chancellor of Karlstad University. There are also mainly doctorate students on fulltime or sandwich programmes, mainly from eastern African countries, such as Tanzania, Uganda, Mozambique and Kenya. At undergraduate level programmes they are almost not to be found. Outside of South Africa and these eastern African countries, one university mentioned the other African university that they could think of would be Alexandria. “Other parts of Africa are very much behind”, is the assessment of one vice-chancellor. One university has discussed cooperation with Ghana in West Africa that would include student and personnel exchange, “but nothing came of it”. The Vice-Chancellor of Mälardalens University narrates what might be a common picture of what relations between Swedish and African universities in the near-future would be like: “In our new internationalisation strategy Africa is not prioritised”.

The interviewees indicate that it is the same with Latin America. Students are coming from that region to Swedish universities but they are “significantly fewer, because of different reasons”. One reason is language. A vice-chancellor explains that with other regions it is understood that English is the language of cooperation, but with Latin America it has to be Portuguese or Spanish and this creates a barrier.

This of course does not mean a total absence. Stockholm University has an Institute for Latin American Studies and has “a lot of teaching in Spanish and Portuguese” because Latin America is an area of interest for this university. Some other universities are making inroads into the region and have gone into agreements with universities in such countries as Bogotá and Costa Rica, in the areas of Public Policy and Education, at post-graduate level.

Three explanations are given for the paucity of students from regions such as Africa and Latin America especially, bordering on costs, quality and the strategies of the universities. The matter of cost is given by one interviewee as an explanation for the near-absence of students from these regions in undergraduate programmes. Since it is expensive to live in Sweden, this interviewee expressed doubt that the students could finance their stay in Sweden for their degree work.

Almost all foreign students from Africa, Latin America and Asia at Swedish universities are on postgraduate programmes. Therein arises the matter of quality as explanation for the little numbers. One vice-chancellor explains that “it is difficult to determine the quality of the undergraduate degree that the applicants have” (Palmer)

and it is expensive to recruit students from abroad when the university is uncertain of their prerequisite background. The strategy of Palmer's university now is to work with a reduced number of universities in these countries "where we know the quality of the undergraduate degree and their prerequisite knowledge to select exchange students that can come here". In India, e.g., this university works with Swedish international companies that already work with Indian universities and can determine the quality of the prerequisite knowledge the Indian students have that will be selected to come to Sweden.

Another university that has a large number of bilateral agreements with foreign universities but "relatively little focused cooperation strategy" is the Royal Institute of Technology (KTH), which is now in the process of working out "the definition of focused strategies for different countries or groups of countries". The university has started with China. Again this looks at the postgraduate level and does not explain why there are few undergraduate students from Asia and especially Africa and Latin America. The university recognises that research is "the most globalised sector" and thinks that having achieved a very large network it is now "important that we focus because we have something from which to focus", because "in that situation it is better to let the initiative come from the activity". This would mean that the countries where KTH has a lot of activities with universities would also be areas to focus on in this what appears to be a downsizing strategy. The effect of this strategy again, would be that the areas where there is presently little contact would not be prioritised.

11. Swedish vice-chancellors are all in favour of students from Africa, Asia, and Latin America paying tuition fees, but they are all against Europeans paying fees. Could you explain the thinking behind this?

This question was hardly fully answered by the interviewees. The thinking behind the European students not paying fees is simple. As members of the EU they have to be treated by the state of Sweden just like Swedish students. Thus, since Swedish students do not pay fees at Swedish universities, other European students cannot be asked to pay fees. Some vice-chancellors think that Swedish students are having a bad deal since they have to pay tuition fees in some other EU countries, such as Britain. This European Union regulation does not, however, explain why there is support for non-EEA students being proposed to pay fees.

Two explanations are, however, evident. One vice-chancellor says that the report does not properly reflect the views of Swedish vice-chancellors; that when the question was put in a questionnaire to them, many vice-chancellors answered it with a number of exceptions. E.g., many would want a scholarship programme to exist that would ensure that students from poor countries in regions such as Africa and Latin America have their tuition paid for them. The support for fees by foreign non-EEA students arose due to the rising number of Chinese students coming to Sweden to study and it was felt by some that since China is now a rich country, Swedish taxpayers should not pay to give free education to Chinese students. Still many vice-chancellors individually have changed their minds about any foreign student paying any tuition fees:

Now I have thought about this thing since I've been on this tour, a month ago... I would have answered no to that question if I think we should introduce tuition fees if I was asked today. For me, perhaps there are a lot of complications and I don't think we shall gain anything financially. I think we have quite a lot to gain in being able to say we don't get paid. That is how I would like to have it (Bremer – interviewee).

The other discernible explanation is the protection of turf. This is a unique idea explained by another vice-chancellor:

I believe that the thinking, which the vice-chancellors have not said expressly, is that education and research constitute one of the most strategic sectors of the economy, so they want to in this way protect their own economy (Snickars – interviewee).

Why this protection is needed is that, according to him, some countries – China was again mentioned as an example – send their students to the top universities in Europe to study in the most strategic fields and for them to return home to set up research centres in these strategic and interesting areas. This means that while “the basic production of knowledge is not a competitive sector but a cooperation sector” it gradually “goes over to a competitive sector”. Thus, some may see the introduction of tuition fees as a way of limiting foreigners from acquiring knowledge in these strategically important and interesting fields that would later enable their countries compete in these fields of knowledge. It is worthy of note that such argument is also going on in Britain about Chinese intentions in sending students to Britain and other European countries to study (Gill 2008).

12. Swedish universities contacts with Africa, Asia and Latin America appear to be focused on the big economies in these continents – the Republic of South Africa, China, India and Brazil. Is the globalisation of Swedish higher education focused on serving the interests of business instead of solidarity?

Only one of the vice-chancellors interviewed expresses the opinion that the contacts between Swedish universities and countries in the developing world are not about supporting Swedish businesses in the large and fast-developing economies in Africa, Latin America and Asia. The explanation of this vice-chancellor is that it has to do with Swedish universities' egoism in seeking quality:

We are interested in exchange and with outstanding universities that have international reputation for high quality, and then, there are many such in Asia, some but not so many in Latin America and very few in Africa, e.g. Cape Town, Alexandria and perhaps some. That is the driving force, that is what we go for, and what I confess also is that it is with such universities we seek to cooperate. So we land in South Africa instead of other African countries. It is happening in a rising extent in China but also in Japan, Singapore, Hong Kong, Korea they invest a lot of money in their universities so they are becoming better (Bremer - interviewee).

The Vice-Chancellor of Karlstad University argues that it is both solidarity and business and actually attempts to strictly separate the two aspects. The explanation is that basically cooperation work with universities in the third world is driven by solidarity, however, Swedish companies do a lot of business selling, e.g., machinery to foreign countries, thus the need arises to train nationals of those countries on how to use these machines, or to support the companies to market their products abroad. This is done in cooperation with the Swedish international companies, who pay for the education. This aspect is handled at this particular university by a special business unit and is separate from the normal work of the university in delivering education and research.

Other vice-chancellors agree that contacts with these countries are primarily about serving the interests of Swedish businesses. "Yes, certainly. Absolute fact." That is how one interviewee answered this question. He went on to explain that Sweden has an 'over-productive' economy; it produces much above what it should, considering its size. The country's economy is export-dependent. It follows that

perhaps all sectors of the country are geared towards supporting the companies to export their products. Education directed at 'entry knowledge' and which bridge cultural gaps is one way to facilitate this. "So, naturally, it has nothing to do with solidarity, or only on the margins" (Nybom - interviewee).

Another vice-chancellor answers that "We do not have money because we give aid. It cannot be helped" (Palmer - interviewee). What this means is that for the country to remain rich, its businesses must get support from even the educational sector to remain in business, especially in this age of global competition. This vice-chancellor, however, wishes that education could also serve solidarity goals. Making universities part of the country's international aid system could achieve this. Thus, universities would, e.g., have some international development funds at their disposal to award scholarships to students from poor countries to come to study in Sweden. Another step in the promotion of solidarity, which was expressed by another interviewee, would be to have the same arrangements that exist for cooperation at postgraduate levels to trickle down to undergraduate studies.

One unique explanation given for the support for business is that it is a way of giving support to the foreign students who have already come to Sweden to study. The Swedish universities are "giving them as good possibilities as possible to carve out careers for themselves" (Snickars - interviewee). Still another explanation by another vice-chancellor for focus on fast-developing economies and attracting students from there is the demographic situation of Europe. As the population of Europe is aging, "to be able to maintain the same level of service and develop knowledge we have to import people here, otherwise Europe will become poorer" (Noren - interviewee). In this regard, it is hoped that some of the bright students being recruited from universities with international reputation in Asia especially and Latin America would remain in Europe after their studies.

Chapter Nine

THE COMMODIFICATION OF HIGHER EDUCATION IN THE WELFARE STATE OF SWEDEN: AN ANALYSIS

This crucial chapter will attempt to put together the review of the literature and the data gathered from all three phases of fieldwork. This entails an analysis of the data that has been laid out so far, in order to answer the overarching question of the research: is the commodification of higher education a possibility in the welfare state of Sweden?

Parameters for this analysis are drawn from the literature review since that constitutes the basis for the theoretical framework, giving an indication of the scope of what has been done and with specificity to Sweden, as well as giving the justification for this research. Each aspect taken up departs from the literature and then takes in the responses to the questionnaire and the answers given at the interviews.

The parameters include the following:

- Environmental influences: EU and the Bologna Process, neoliberalism and the commodification of social services, GATS and the world education market; influx of foreign students and the tuition fees dilemma, Stiglitz (1999) and education as a 'global common good'.
- Ruling political ideology: will it make a difference who constitutes government, Conservatives or Social Democrats? Bauer *et al* (1999) talk of 'actor preference-driven'. What do decision-makers on both sides of the ideological divide think; what are their antecedents in this matter?
- View of education as a public or private good: what is the thinking; what is the attitude? Will thinking or attitude change in the foreseeable future?
- Clark's (1998) organisational pathways to entrepreneurialism: are the universities following these pathways; are these pathways identifiable at Swedish universities?
- Shattock (2003) defines the entrepreneurial university as one that has psychologically broken free of the tethers of the state, a truly autonomous institution: have Swedish universities broken free from the tramlines of state control; is there indication of any intentions to break free; is it a possibility for a public institution such as a university to break free of the patronage of

the state? Do they have enough of own resources or can they raise enough resources to be independent? Are they working towards this autonomy?

- Marginson and Considine (2000) identify the characteristics of the enterprise university: are there legal frameworks for Swedish universities to assume these characteristics; have Swedish universities assumed these characteristics; to what extent?
- Hellström's varieties of university entrepreneurialism: are Swedish universities engaged in any varieties of entrepreneurialism; what could be the consequences of this on universal entrepreneurialism within the university?
- *Läraryrket* and commercialisation of research results: does the teacher exemption limit commercialisation; does commercialisation of research results mean the universities are entrepreneurial?

Environmental Influences.

Commenting on Clark's *Creating Entrepreneurial Universities: Organisational Pathways of Transformation* (1998), Tomusk (2004) comments:

Professor Clark's latest work rapidly became more than a study on changing universities. Falling like rain on the desert of European higher education, it has become a scientific-sounding justification and mobilizing force for turning it into the fertile ground of the marketplace – work enthusiastically welcomed by politicians. While administrators and bureaucrats ardently paddle the politicians' boat, academics hesitate. Instead of working under the guidance of the philosophy faculty and the protection of the state, they are now forced to produce *knowledge* for sale (page 106 – original italics).

This statement essentially captures the reaction of Europeans to the work. Soon after it was published some European academics, e.g., Shattock (2003) and Sporn (2003), joined in the propagation of the entrepreneurial university in their own works. Reading Shattock it is easy to agree with Tomusk (2004: 106) that “The entrepreneurial university is being sold under the pretext of progress and its pioneers heralded as colonizers conquering the Wild West”. Such pioneers, that became the subjects of Clark's ground-breaking study, include Warwick University, where Shattock was at the time the Registrar and head of the transformation project. Tomusk adds that the enthusiasm shown by politicians and public servants was so strong that

while academics resist producing knowledge for sale, they have failed to stem the tide of the “forces that have led to a situation whereby remaining non-entrepreneurial is a non-option” (ibid).

If this is the case, then universities around Europe, including Sweden, would be adopting what Clark (1998) calls the organisational pathways to transforming themselves into entrepreneurial institutions. Even preceding that, they should be afflicted with the same problems that drove Warwick, Joensuu, Twente and others, such as a dearth of cash for their operations, as well as be driven by the same ambitions/visions or succumb to the same environmental factors, such as the neoliberal drive to commodify social services. Furthermore, the politicians and public servants would show the same kind of enthusiasm that Tomusk (2004) talks about.

The most decisive factor is funding. The experience of Warwick, for instance, was that the Conservative government of Margaret Thatcher had cut allocations to universities at once by 17% on the average, but even up to 30% for some individual universities. In the Netherlands the experience of Twente University was that the government cut the university budget expecting universities to reduce the number of faculties or programmes. But the experience in Sweden was different. Clark’s (1998) study included one Swedish university, Chalmers. It was the only one of the five European universities in the study that was not driven into entrepreneurialism by funds shortages. From the interviews with both parliamentarians and vice-chancellors reported in chapters seven and eight it is clear that Chalmers has not become a ‘stand-up’ university that acts significantly on its own terms. It operates under the same regulations as all other universities in the country and gets its operational funds from the state by the same funding formula. This is because, as the parliamentarian Damberg explains, while all universities are not state-owned, “so long as they follow the general system, they get public funding for their students from the state”.

This assertion is confirmed by the vice-chancellor of Mälardalens University:

They are... they are still very dependent on the state for their financing. A large part of the undergraduate studies at both Chalmers and Jönköping is financed by the state, a large part of the research also. They are financed in the same way as we are (Palmer – interviewee).

Damberg’s view is furthermore emphasised by his parliamentary colleague, Hjalmered, who is of the opinion that “the main focus should be on the normal education

system [non-private]. And I think it is important that it is tax-funded” (Hjälmered – interviewee).

It is also gathered from Högskoleverket (2006), Bauer *et al* (1999), (see page 119), that in the decade that universities in other European countries were experiencing fund shortages Swedish universities were in fact in ‘overproduction’, that is, they were admitting and graduating more students than they were receiving per capita allocation from the state for. Bauer *et al* recount that even after the 1993 funding reforms that introduced a more stringent funding regime, with the universities receiving per capita funding for the number of graduating students instead of the number admitted, the overproduction was so high that “the higher education system at large provided, without any extra funding, education equivalent to that of one university for one year” at a cost of 537 million Swedish crowns. Interviewees Nilsson and Damberg assert that the state cannot give less than it is giving to universities, firstly because it is the duty of the state to finance education, and also because if the state were to give less in the hope that universities would acquire resources from other sources, a situation might arise where they short-change themselves. Nilsson states:

I do not know if I would say that the state should put in less money because we believe that it is the state’s duty to contribute to such, those things that private enterprise does not contribute to. Private companies and private capital are good at finding out need-based research, company research and so on, but we believe that the state must take the responsibility of providing money for blue skies research. There are two areas, and one must say that both blue skies research and company research are needed. And it is the state’s particular responsibility to invest in the blue skies research (Nilsson – interviewee).

There has to be an acceptance of entrepreneurialism. It might be agreeable that in the countries where entrepreneurialism took over, “public pressure”, as Tomusk (2004) says, played a very important role. Such public pressure translates into the enthusiasm of politicians and administrators. Academics are cajoled to accept the changes or forced in some way, e.g., with threats of budget cuts or legislative changes that pull the carpet from under their feet. This kind of enthusiasm appears to be absent in Sweden. Obviously the degree of enthusiasm differs at different periods of time. Between 1991 and 1994, for instance, when the Conservative Moderaterna ruled, there was more enthusiasm to move toward the privatisation of universities. Privatisation *per se* is interpreted as marketization. To the interview question of whether or not their political

parties would support fully private universities, Damberg and Hjalmered say that they have nothing against private universities and point out that there are no laws against private universities nor would the parliament legislate against such. But they are sceptical about the success of private universities. Nilsson, for instance, answers: “We are basically open to private universities”, so long as they operate within the regulatory system supervised by the National Board for Higher Education in order to assure the quality of the education they provide. He refers to the period 1991-94 when the Conservative government tried to privatise state universities. Perhaps only the limited time they were in government prevented full privatisation and transformation to entrepreneurialism, with the universities that acted quickly becoming only foundation institutions. The Social Democratic Party that succeeded them in power back-tracked on this. However, it was the Social Democratic Party that raised the issue of tuition fees for some categories of foreign students. They also went as far as making the enabling legislative changes. Still there is not, generally speaking, any eagerness to turn entrepreneurial discernible even on the part of the government. In one of its reports (Högskoleverket 2005b) the Higher Education Board compares the Swedish higher education system with those of Britain and Finland and writes:

The Swedish management is also different in other ways. As an example can be mentioned that one of our closest neighbouring countries – Finland – the government has set up quantitative goals for the number of ‘foreign undergraduates’ and in Britain the government in 1999 laid down a strategic plan for the marketing of British higher education (page 21).

The reason effort is directed at foreign students and a marketing strategy is planned to lure them into the country’s educational institutions is the obvious link between foreign students and fees income (see pages 214-218). But the fees issue in Sweden has become a real dilemma. Responses to the questionnaire of this research and interviews reveal an open acceptance by a number of university heads that the provision of higher education to students from developing countries is about economic globalisation, i.e. to support Swedish global business. They say, to quote a few:

Yes, certainly. Absolute fact. We don’t have to say anything about it, because we often forget what is said about Sweden and Switzerland that these two countries were

economically globalised long before anybody else, long before Britain ... naturally it has nothing to do with solidarity, or only on the margins (Nybom – interviewee).

and

Yes, I think I should be able to give a straight answer to that. We do not have any money because we give aid. It cannot be helped (Palmer – interviewee).

This can be interpreted in two ways. Apart from the obvious fact that Sweden has distanced itself from its earlier view of globalisation – “the most remarkable, [] abiding and self-imposed obligation to aiding and assisting in the countries of the Southern hemisphere”, as Neave (2005) observed it, or the way Opper (cited in Högskoleverket 1996) narrates it (see below), this indicates, firstly, a state of mind that may easily accept trading in educational services in relation to these countries.

Certainly, along the way there have been debates over the super-ordinate aim of internationalisation as an educational goal. There have been strong advocates of placing a ‘global solidarity’ goal premier, stressing the need to prepare Swedes to work to improve the standard of living and national economic chances of countries who are not as well off as Sweden (page 18).

This of course would be trade in the basic functions of the university with the student as customer. Governmental authorities and organisations as customers of universities is already an established mode of Swedish university entrepreneurialism. What may be discerned from this elimination of solidarity-thinking is that the internal solidarity within the country itself, whereby everyone is his brother’s keeper or the Swedish concept of *‘folkhemmet’*, which makes almost everyone unquestioningly see education as a citizens’ welfare provision, can be volubly challenged. This means that those within the Swedish society who in the past decade or so have been advocating fees for all students, even home students, though an insignificant and non-vocal minority now, would grow in number. This could be interpreted as a readiness to accept that Swedish students, like students in other countries, should also make an inescapable financial contribution toward their education. Questionnaire responses are confirmed by interview answers showing there are vice-chancellors who will not mind their students paying fees, or universities that are thinking of augmenting shortfalls in state allocations “by making some students pay”. Myhrman ponders the question in this manner:

Yes, if we want to do like the rest of the world then we will charge fees for our education places. And why we would do [so] is that the state's money has become less and less. We have now a poorer precondition for providing our education. Our students receive too little teaching if we compare with other countries and it makes us think we need more money to be able to provide as good an education as possible, to give our students better conditions to complete their studies. And we can do this by making some students pay. Eh... it would then be the students that pay... The big question is whether we can augment our state resources with incomes from students who have to pay for their education, so that we can be comparable to other countries.

Well, I don't know where the state is going to land. What is being discussed now is the non-European students, if we are going to have it. Otherwise... it is a problem that we have free movement within Europe in some way. Where it is going to land I don't know. There is an ongoing study that will submit a recommendation (Myhrman – interviewee).

There are even others who want the students to pay because university students in Sweden enjoy too high a standard of living and show no appreciation for the resources the state expends on them or the efforts the institutions make to deliver to them the best possible education. This category of university leaders wants students to pay some fees as a method to commit them to their studies. But no one can predetermine where such a step would lead to. We can cite here the cogitations of the vice-chancellor of Mälardalens University:

I am in fact divided on this, because naturally I think it is in many respects positive that we have free education in Sweden. In addition we have very high cost of living in Sweden. So the costs for the students are much higher than in other countries. But the students think that is just the standard, they expect that standard. They are not ready to share rooms, or quite basic living environment etc. It is a high expense just for maintenance. If we add tuition fees to that then it would be very expensive. At the same time I think it is bothersome in some respects, that these are free resources and they are used a little too much in that way, because the students do not take responsibility for their choices. It does not cost anything to take up an admission and then ignore to use it as it was intended. This is seen very clearly now in the kind of labour market we have. This is what happens in many colleges and universities. There are many students who commence their studies and then they get jobs and they simply go. And this is becoming more visible every year. So universities and colleges are

expected to provide resources, teachers, classrooms, computers and every possible thing and there is no counterbalancing demand on the students. It bothers me. I don't think it is healthy to get things without a demand to perform. So, something... it should cost something. I was attracted by the English system a few years ago when they introduced fees. It doesn't have to do with fully covering the costs, as in the USA or other places in any case, but that they should pay a part. These are not unreasonable costs. It would not be remarkable to invest fifty thousand or twenty thousand a year, whatever it would be in one's education. That is what I think when I see what they spend money on. I can think that it should apply to both adults and young people. We are behaving like teenagers. Our own money we want to spend to have fun; mama, papa and the state should be responsible for the necessary things that don't appear to be fun to pay for. Well, maybe not fifty thousand, but five or ten thousand per semester should not be unreasonable, so that it costs something, and they will also see that they have made an investment in their future. It places a demand. It is a tool to make them take it seriously (Palmer – interviewee).

The attitude in Sweden is not different today even with a coalition of right-of-centre parties in government. Both sides show less or no enthusiasm at all for either the privatisation of universities or even the tuition fees by students from developing countries. What this indicates is that any intended transformation toward entrepreneurialism between 1991-94 is now halted. Parliamentarians representing various parties think that education should be tax financed, so that access does not depend on the ability to pay for it. This is a fundamental tenet of the *folkhemmet*.

I mean, for me the basic thing in the Swedish school, educational system, is that it should be funded by taxes, in the meaning that we should be able to... I mean, all Swedes, if they have the brain ability, they should be able to... study at university...I mean money should not [be the deciding factor].

But let me also say that I think [universities] should take fees when it comes to people outside the EU and EES area, but ... I also think we should also have stipendium, what is it called...scholarships, some sort of scholarship system, meaning that we will give possibilities to great students to be able to undertake the Masters studies in Sweden or participate in PhD studies, so we have both the fees and the scholarships (Hjälmered – interviewee).

But a hint of the dilemma with fees is given by Nilsson:

We in principle have said that we can accept fees and charges for students outside EEA but it is not certain that we are going to do it, because one reason is that free education is very important for Swedish students. We can accept it but again a little country like Sweden, it is not certain that we can get lots of students. We need international students, why would they choose Sweden if it is as expensive as studying in the USA for example? So it is not at all certain that we are going to implement it.

I understood it as a decision in principle to make it open but then the government has to make a decision for it to go ahead. The parliament has given the possibility but the government has not taken the decision yet. I do not believe it would be implemented in 2008” (Nilsson – interviewee).

They would like to see more of the outcomes of research commercialised. Even the parties to the right do not envisage entrepreneurial education. They do not even think that they would go as far as allowing any of the state universities now converting into foundation universities. Hjalmered, whose party from 1991 to 1994 made the privatisation move, speaks on autonomy:

Basically one could say that we want it to be a great deal of autonomy. Our basic view is to have sort of free universities. As you are aware of we now have an alliance of centre-right wing parties forming government. Last time, at the beginning of 1990s, two universities in Sweden, Jönköping and Chalmers became foundations, free foundations and I think that we have the ambition to such reforms as well this time, meaning that we want them to be free, perhaps not foundations, it could be, but I think it is more important to see how we could make all Swedish universities more free...compared to the current situation.

The establishment of fully private universities by business people in Sweden has no statutory barrier, but the general thinking is that such universities will not succeed in the country since they would compete against the state universities and it cannot be imagined that they could survive on tuition income. Damberg and Hjalmered say they have nothing against private universities and point out that there are no laws against it nor would the parliament legislate against it. The interviews also uncover scepticism about the success of private universities in competition with state universities in a country where education is otherwise a welfare provision. There is also a rejection of

the notion that, in that case, Swedish students would have to pay for education and the acquisition of education would come to depend on the wealth of families:

There is nothing that says one could not do it in Sweden. On the other hand, it would be very expensive.... I don't know if there is a great need for a totally independent... we are not discussing the issue I can say, but I don't think it would be forbidden. It is clear there is possibility of establishing totally private universities but I don't think it will be successful.

It is a hypothetical question. I don't think it would happen. But we think, the ones that the state finances, there we shall not have fees. But if this should happen, totally private, by the side, I don't think we are going to have a law against it, but I would not welcome such a development because then it would mean that higher education will become a matter of the size of the wallet instead of the talent the person has and that I think is a wrong step. I don't believe there are such forces in Sweden that would like to do it (Damberg – interviewee)

Tomusk (2004:110) implies that “the range of entrepreneurial adaptations in higher education is almost infinite”. One is the commercialisation of research results and another is contract education or research. Hellström (2007) in his study and analysis of the research strategies of ten Swedish universities rightly identifies commercialisation within the Swedish university system as geared toward the achievement of the statutory objective of interaction with the community and acting as vehicles for regional development. Such commercialisation takes the forms, mainly, of outreach activities and knowledge or technology transfer. Outreach activities has a broad spectrum, from that of providing facilities for local organisations to run conferences and workshops, or acting as consultants, to having members of the local business community or public service representatives on the boards of universities, or establishing joint collaborative bodies. Citing Harman and Harman (2004: 154) Hellström says that technology transfer distinctly means “the process of turning scientific discoveries and inventions into marketable products”. The issue this researcher has to raise with Hellström is that he interchanges ‘commercialisation’ with ‘entrepreneurialism’. He defines commercialisation as “that which the university does that involves, at some point, selling to a customer for profits” (page 480). However, what the university does, even though it may derive some profit from it, is actually

selling excess by-products from its basic functions of teaching and research, or selling excess capacity in the case of facilities like conference halls. An essential element is missing for these activities or income earning capacity to constitute entrepreneurialism. This writer would hypothesise that entrepreneurialism would exist where the infrastructure and processes of the university are designed with profit motive, with a permeating rent-seeking state of mind and attitude. This must be what Liesner (2007:451) rightly illuminates, when he observes that in the entrepreneurial university lecturers and researchers are not simply that but “are also conceived as consumers of institutional offers by using infrastructure, by creating networks, or by participating in further education”. In the same manner, he further postulates that students are not merely students receiving teaching, but are also considered as “individualised subjects, presenting themselves as targets for investment”. Hellström (2007) did not find such a state of mind. Even those holding companies and autonomous business units that many universities have set up do not exhibit such an attitude. His evaluation is that:

In many ways, these units have suffered from an ‘inward gaze’... which has caused them to lose a foothold in the commercial arena... Instead, it seems that many of the universities have found, and are finding, new functions for these stand-alone business units (page 483).

Even the perception of the university as service provider, the student as customer and education as a commodity is vehemently resisted by people closely concerned with the Swedish higher education system. For the politicians, “the basic thing in Sweden is pay by tax” (Hjälmered – interviewee) because “we do not have the view that basic education or healthcare are trade issues” (Damberg – interviewee). Their stand is consolidated by the vice-chancellor of Mälardalens University:

Well, with the tradition that we have, we don’t see ourselves as part of that sector; it’s that simple, in the same way that we don’t see the health service... It is another thing that it is possible that we can use marketing and maybe earn some money, but it is very marginal (Palmer – interviewee).

This means that the student is not recognised as a ‘customer’ of the education system buying a private commodity. In questionnaire answers, the universities said education was not viewed as an “industrial activity” or “as an export industry”. To the

question as to whether the universities could become as autonomous as to be self-sustaining, which they could only do if their services were commodified, one vice-chancellor answered, “Never!” And he answered that education should never become a tradable good (Snickars – interviewee).

Environmental influences appear to have little impact on the higher education system. The neoliberal philosophy, as articulated by some writers, that there should be nothing which is not the market appears to have little impact on the Swedish higher education system. There is frequent mention of the ‘global education market’, but Sweden appears not to have strongly positioned itself to play in it. There is the conscious thought of it, but there appears not to be any systemic strategy or concrete strategies on the part of individual institutions to be active players in the global education market. At home, in any case, the stand is very strong within academia and amongst political decision-makers against education being a commodity and for education provided with tax money, so that anyone having the ambition to acquire higher education can do so.

Yet the foregoing has to be pitched against the external forces and alternative ideologies bearing on the state. One university answering the questionnaire adopts a definition of globalisation as “forceful changes in the economic, social, political and cultural environment”. GATS for instance, and neoliberalism, with its principle of individualism, the challenge of the welfare system, the philosophy that education – especially higher education is a private good – and the stand that the ‘market’ should be arbiter over all things, is sweeping across nations. Nybom (interviewee) observes that even in the Nordic countries it is now only Norway and Sweden that offer free education to both home and foreign students. By taking up the idea of tuition fees for foreign students Sweden is already moving away from the position of Norway. However, Sweden is recognised to have resisted neoliberal ideas before. Harvey (2007) recounts how the neoliberal onslaught was “side-stepped” earlier in Sweden due to public resistance, led by the labour unions. Applying neoliberal principles to social welfare areas such as health and education appears to be taboo. Once again we may recall the rejection both by politicians and vice-chancellors of the idea that education could be a tradable commodity in questionnaire and interview answers.

Furthermore, little notice is taken in the country, both by the parliamentarians closely working with the issues of higher education and research as well as leaders of academic institutions of the General Agreement on Trade in Services (GATS) by

which the WTO is pressing for the commodification of higher education. The questionnaire identifies only one respondent university positive to GATS. Some interviewees, mainly the parliamentarians, admit lack of any deep knowledge about GATS. The Ministry of Education said “It is not something the political leadership has discussed”. One university vice-chancellor also said she did not “believe that...GATS comes up in the Swedish discourse a lot” (Noren). Those who were more conversant with GATS take the stand that Swedish universities do not belong there, even though Nybom suggests that there might be a division of opinion between the comprehensive universities and the more specialised universities, such as the Karolinska Institute and KTH, who he claims are preparing to respond to GATS. Palmer, vice-chancellor, says “we don’t belong to that [trade in services] sector”; Pertoft, parliamentarian, holds that the aim of his party and that of GATS regarding education are diametrically opposed, and Bremer explains Swedish universities have been:

focused very much on the development of academic knowledge and less on engaging in working together with the society in general or to develop the possibilities of selling education or knowledge (interviewee).

The position is slightly different with the pan-European Bologna Process. Even as the Högskoleverket (2005b) notes that it is one of the areas of global events capable of affecting the internationalisation process of universities “that both require being watched and analysis”, the Bologna Process is mentioned almost as if in passing by political policy-makers and university leaders. It is in fact the politicians who mention the process in interviews. In questionnaire responses one university mentioned that the Bologna Process would enhance globalisation, meaning free movement of students and academics within Europe. Swedish universities show ambivalence toward the Bologna Process. On one hand, they express fears about how it would affect their programmes, for instance, some programmes might become unnecessarily long, or expensive to run. On the other, some universities think that to achieve global competitive strength they need to join this regional consolidation strategy. There is a realisation that it would change things, since it may be unavoidable as an EU project, but it appears there is little confusion, resulting from a lack of grasp about what the changes might actually mean. In any case, Swedish universities are waiting on the government to firmly commit to the Bologna Process. That they are waiting for the government to give directive again confirms how little autonomy the universities exercise. One likely

benefit of the Bologna Process is the capability it could have of strengthening the position of the universities for global entrepreneurial provision of higher education within a strengthened European Higher Education Area, as envisaged. If they are not taking the initiative, then, it is an indication of lack of entrepreneurial spirit. A higher education system that has entrepreneurial drive would by their own enthusiasm work toward that goal and even influence the government to act faster.

Globalisation, often interchanged with internationalisation, on the other hand, has growing implications for the commodification of Swedish higher education. There is an apodictic link between globalisation and entrepreneurialism. Education International contends in its report (2003:7) that the modern purpose of worldwide higher education is a “globalized and commodified higher education market”. Högskoleverket (2005b: 20) endorses this postulation when it posits that one inhibition to globalisation is the “prohibition to take payments from individuals for education”. And an interviewee advocates:

a discussion on how proper it is that students from... all over the world should be able to study free in Sweden. There, we Social Democrats have said that that is a discussion we must have... Is it proper that Sweden as a country should totally finance with our tax money other countries' students? (Damberg)

It is recognised, thus, that a decision on the part of the government to expand internationalisation is a decision to enter the global student market. Or, at least, that to cope with a rising number of global students, especially if new spaces need to be created for such international students, raises the need to demand payment for the education. The prohibition is no longer there, since the last Social Democratic government changed the statute and created the possibility for universities to demand fees, but the country is not yet ready to proceed with it. Högskoleverket has asked the universities about their readiness to collect fees and reports, “Our conclusion is that Swedish educational institutions in general are still not prepared for that” (2005b: 66). The difficulties with it are explained by a vice-chancellor:

So there is a special study to introduce tuition fees. But the narrow directive from the former Minister of Education, Thomas Ostros, means that we should collect tuition fees, the fees must cover the whole cost, but we must not take more, we must not get any profit out of it, and in that aspect it would only introduce a lot of bureaucracy and bother for the

universities. That kind of solution I wouldn't want to have, I don't think it will be realised (Bremer – interviewee).

Snickars prefers a different approach to coupling globalisation and fees that is more logical. In fact, he suggests that the inflow of foreign students need not raise the requirement for fees. He challenges the procedure for the recommendation of fees as that of putting the cart before the horse:

It is naturally so that the discussion about fees, which says that fees should be a way to expand the internationalisation, which was the point of departure for the earlier Swedish study about fees, is meaningless. There is a better study that is being done which looks at internationalisation as the point of departure. From there we can know what values, what societal economic values will be created by the inflow of international students and international research. From there how a fees system can be introduced could be discussed. It is for example true that no one will question the fact that there is a fee that is equivalent to the universities' direct investment of resources to give service to international students. It is really a question of if we should have a system whereby we earn money from other services from the international students' inflow (interviewee).

Interviews with members of the Parliamentary Committee on Education and vice-chancellors also indicate unwillingness on the part of the majority of them to charge fees of foreign students. One vice-chancellor suggests that the entire Swedish economy would gain from the living expenses and contribution in the labour market of the foreign students (if they can work), and that would be a greater benefit than the tuition fees they would pay to individual universities. "Right now our development is stopped by the fact that we cannot prepare those students at the Masters level, the international students we have at the Masters level, to move directly into the Swedish labour market" (Snickars). Another thinks that in those countries where they charge such fees, there is greater interest for the income than the contribution to the quality of the education which the presence of foreign students should represent (Noren). Vice-chancellors, for instance Bremer of Stockholm University, who tentatively supported the charging of tuition but then have toured some of the countries fee-paying students are expected to come from, have changed their minds about it.

There is a burning desire to internationalise Swedish education. The issue has been studied since the 1970s. Nilsson (interviewee) mentions the Globalisation Committee

that was set up in 2006 and is chaired by the Minister of Education and his party's support for the Bologna Process. There is also, on the other hand, the realisation that a free-flowing internationalisation, such as they have in Britain and the USA would not be possible without, like these other countries, the commodification of the basic function of the university. Yet neither the government nor the universities are ready for it, even where it concerns only foreign students. We can refer again to Damberg, quoted above, and another interviewee, Bremer, who argues in like manner:

I think it is proper with some sort of payment if large student groups come from countries that in fact have the capability to pay, and I mean in fact China. There are many poor citizens in China but China is no longer a poor country and we should not pay for that education'

The Chinese should pay because they are coming in very large numbers and China is not a poor country even though there are a lot of poor citizens there. If China were a poor country, then the issue might not arise for China and spill over to all other non-EEA countries. What can be surmised additionally is that the primary motive with globalisation is not the commodification of education, but to support the Swedish export industry, by developing international manpower with global cultural awareness for Swedish businesses abroad. In Opper's words:

Given the dependency of Sweden's mixed welfare economy on her success on the global market, the country had to remain competitive. Swedish companies were expanding abroad, and internationalising education was one of the ways to ensure that Swedes would be capable of filling important positions abroad (cited in Högskoleverket 1996: 17).

Regarding globalisation, Sweden's solidarity-thinking as noted by both Neave (2005) and Opper (1979), needs also be considered. The national student body has already in their reaction to the tuition fees proposal decried it as an ideological change. Stiglitz (1999) identifies the sharing of knowledge, which comes through education, as a global common good, which requires the concerted effort of all countries to help the developing world. He calls it, in fact, *knowledge for development*. It would be difficult for Sweden as a major developmental aid-giving country to shy away from this call or to ignore the fact that possibly the best way to aid less developed countries out of their

poverty is to share knowledge with them. Indeed, an Education spokesman for one parliamentary party notes that the whole world would be better off if industrialised countries like Sweden help the poorest countries to get out of poverty:

...it is extremely important that those countries that are poor today and have poor economic development should get good economic development, they get education and research. It is important for solidarity and it is important for the whole world. The world will function better if we do not have a lot of poor countries (Nilsson – interviewee).

Political decision-makers express the willingness to make the globalisation of Swedish education form part of the country's aid commitment to developing countries. They want to tie in educational opportunities into the national aid scheme but they are yet to draft it as a policy proposal coupling developmental aid to support in the area of education as a national approach. This is a revamp of the thinking in the 1970s, de-emphasised along the way, which is now resurfacing. The politicians consider themselves restricted since the universities are independent in so far as how they co-operate with institutions in other countries. Damberg dwelt on this:

But it is clear that there is some frustration in the political arena when we talk of Sweden as a big aid country, e.g., development aid...

...I think if globalisation has to be really of benefit then Swedish universities and colleges have a lot to gain by being on the ground even in those parts of the world where we are not really... we are very [focused] on Europe and USA...

...what I would like to see is that in the framework we have for developmental and aid work that we have in Sweden we tie in the universities more clearly.

“Not the least, all these universities and colleges that position themselves within development work, within political science, environmental issues ... it is embarrassing that universities want to work with sustainable development or greenhouse effect without looking at, having cooperative work with the poorest countries in the world. There is not going to be any good sustainable ... There ought to be both moral and scientific arguments for cooperation. But I think we decision-makers should work with smart steering systems that make it extremely... so it is not felt [by the universities] as extremely expensive to work with this. That is something I think we should think about” (interviewee).

Damberg's proposal is supported by his parliamentary colleagues. Nilsson, for instance, suggests that there is nothing preventing Sweden from, "as part of the aid policy but even principally ...welfare policy, [taking] a good number of students from poorer countries in Africa and Asia to study for free". And Hjalmered adds:

I mean, how they [the universities] act [focusing on economic globalisation] and I think somehow that's a good starting point for universities as well, to be honest. I mean, that doesn't mean that they shouldn't think in the terms of aid, but I think it's more of a system for ...a question for the political system to see, how do we use all this money we put in aid each year, the state money or the money funded via SIDA? Perhaps [these] could be tools in order to work more actively in focus with questions when it comes to solidarity (interviewee).

This procrastination leaves out the larger part of the world's population and the more needy part for that matter. On their part, the universities also express the desire to have more co-operation with these regions in their globalisation efforts, yet somehow they find it difficult to stretch beyond a section of the Western world that Sörlin (1996) reckons:

encompasses less than 5 percent of the earth's surface (and not more than 10 percent of the earth's population) ...students and researchers from Asia, Africa and Latin America are not a common occurrence amongst us. These continents dominate the world's population but in the statistics of Swedish universities they make up a negligible sundry head (page 83).

The universities attribute it to their discrimination towards dealing with foreign educational institutions of high reputation. Bremer concedes that "there is naturally an egoistic perspective on the part of Swedish universities. We are interested in exchange and with outstanding universities that have international reputation for high quality" and Palmer says that at the Masters level, which attracts most foreign students, "it is difficult to determine the quality of the undergraduate degree that the applicants have". Yes, indeed, they are trying; many vice-chancellors, e.g. Bremer and Noren, narrate of recent endorsements of new cooperation agreements. But they are reaching out toward the fast-developing economies in Asia with fast-improving universities. "It is happening in a rising extent in China but also in Japan, Singapore, Hong Kong, Korea,

they invest a lot of money in their universities so they are becoming better”, says Bremer.

But what is aid, especially developmental aid, if it goes to those who can manage on their own? None could counter Hickling-Hudson (2007: xiv) that:

...wealth confers the privilege of being able to choose to pour massive resources for innovation and improvement into aspects of education. It is also clear how much more the wealthy could do to help poorer countries and groups to improve their education systems.

Furthermore, this notion of selecting quality universities to cooperate is challenged by Scott (1998) who posits that co-operation is to a significant degree determined by geopolitics, which sometimes results in ignoring those most in need.

On the whole, entrepreneurialism seems to be going outward. That is to say, Swedish universities are taking their operations outside Sweden, running programmes for governments, companies and organisations, cooperating with universities and even opening campuses outside Sweden. Beyond Europe and North America all of this effort is focused on the best Asian economies. A limited number of foreign students are coming, more of course now than at any other time before, but the numbers may not grow much since without commodification it would not be possible or desirable, from taxpayers' point of view, to admit more. Or there may be quantitative targets set, which the vice-chancellor of Karlstad University suggests. Such quantitative limits will mean that the pressure of globalisation as a driver of commodification is lessened. Consequently, even here, it can be seen that there is no fertile ground for the commodification of higher education.

What about the huge attractions of the 'global education market' then? These attractions must not be seen only in terms of the huge amounts of money to be earned by both the universities and the economy in general from foreign students. Other benefits include the cultivation of diplomatic and cultural ties, internationalisation-at-home for home students, potential business links and labour pools for Swedish firms in foreign countries, the 'capture' of some of the best brains from other countries as some of the young people who come to Sweden to study may be persuaded to remain behind and contribute to the Swedish economy as professionals or researchers.

A government study in 2000 (SOU 2000:92) reveals that China alone has a yearly excess of over two million students seeking admission to universities. One of the fastest growing groups of free-mover students to Sweden is Nigerian, where the

population is over 130 million and the universities lack adequate facilities and places are scarce in relation to the yearly number of applicants. Foreign students mean a lot of money to any economy, and this is the most obvious of the benefits, both in terms of the fees they pay and their living expenses, as well as their labour in employment. The UK earns £10bn, Australia US\$11.5bn and New Zealand 0.5% of its GDP from the foreign students at their universities (Hodges 2005; Infometrics 2000; Chronicle of Higher Education 2008). There is no pretence that this global student market is not attractive to Sweden. It appears, though, that the interest in the global student market is mostly on the part of the government. The government has shown a desire, by the two commissions it has set up, one to study how to attract more foreign students and a subsequent study to recommend ways of introducing tuition fees for students from outside the EU/EEA. The commissions noted the desire to understand the global education market and the need for Sweden to hasten because it is a late entrant and player in this market (see page 124/125). “Sweden is a relatively little country that is pretty late in establishing in the international education market” (SOU 2000:92), the commission notes and advises that if the country does not develop a national strategy for trading in education services, it would “lie at the edge of the most important markets” (ibid). This is in recognition of its size and monetary value. The government’s desire that the country should make money from this market is even readable from the terms of reference of the commission (see pages 123/124). The terms of reference direct the commission to find out ways of increasing the intake of students from the regions earmarked to pay fees, find out how Swedish education could be marketed abroad and, study tuition-financing of education in other countries. For the purpose of demonstration, “Higher Education is a £10bn business to the United Kingdom’s export market” (Hodges 2005).

In *Essays on Higher Education* (Tomusk 2004: xvi) intimates of a “global regime where knowledge is produced in a limited number of global centres and only distributed by peripheral universities”. This, according to Sörlin (1996: 8), arises from:

...globalisation, which brings with it the concentration of the production of knowledge to a number of scientific regions and therefore contributes to the formation of the new economic and intellectual geography.

This means that for Sweden to play an active part in the global education market as a seller, it has to establish itself as a production centre, in competition against

countries, like the USA, UK, Canada and Australia that are known as global traders in knowledge products. Sweden certainly produces education that is amongst the highest quality in the world. For instance, Swedish researchers:

...publish more articles calculated per capita than their colleagues in other countries within the EU and OECD. When one compares citations in addition Swedish research belongs to the highest quality in the world (Ministry of Education 2005:18).

The country is also closely linked worldwide to the Nobel Prize. Nybom's patriotic reflection (see below) should also attest to the quality of its higher education. The country has to capitalise on this and create a national strategy for establishing itself as a global knowledge production centre to successfully deal in the global student market.

...we often forget what is said about Sweden and Switzerland that these two countries were economically globalized long before anybody else, long before Britain... Sweden has an industry structure that... [like] Switzerland that is totally too large. Sweden has an industry structure... that really a country the size of Spain ought to have (interviewee).

But playing in the global education market may not have to do only with earning money from students. It also has to do with guarding geopolitical turfs and ensuring the individual country a stake in the global power game. Already Tomusk (2004) succinctly advances the position that "The global market is a global war". Lyotard (1979: 5) expands on this, but not less ominously when he predicts that:

Knowledge in the form of an informational commodity indispensable to productive power is already, and will continue to be, a major – perhaps *the* major – stake in the worldwide competition for power. It is conceivable that the nation-states will one day fight for control of information, just as they battled in the past for control over territory, and afterwards for control of access to and exploitation of raw materials and cheap labour. A new field is opened for industrial and commercial strategies on the one hand, and political and military strategies on the other (original italics).

The veracity of Lyotard's prediction is confirmed by Nilsson, who explains:

...one has to understand that a technological country like Sweden is going to face very terribly hard competition from China, India and those countries, therefore, it is very important that we should also be there and compete. Not only compete but to be in these markets.

Sweden cannot say no to the contacts with these countries that are fast developing; otherwise we would lag behind ourselves...If Sweden should simply end the contacts with these elite Chinese universities and so on we can quickly lag behind and become a country that can compete only with low wages and so on (interviewee).

This obvious desire of the government to push the country into the global education market is pitched against the socialist instinct of the Swedish populace as with the resistance of the academic system to change, especially its aversion to commodification that would tarnish the Humboldtian ideal. What the government has set out to do with this foray into the question of fees and talk of the global education market is a study of the possibility of (Tomusk 2004: 160):

Imposing the primitive rules of the market on universities, forcing them to spread knowledge that sells rather than the truth according to our best understanding of it

This has happened in many countries. The resistance of entrepreneurialism by the academia in Sweden, to be seen in light of maintaining the intellectual role and traditional mission of enlightenment of the university, is laudable. Such resistance is an expression of the fear, again articulated by Tomusk (2004), that the discourse to mobilise universities to become like business is putting these:

institution[s] of free intellectual inquiry... under the pressure of the logic of capitalist production. At the point at which graduates and research are defined as products akin to other products of the capitalist economy, free inquiry ends. Only such inquiry is possible that can be sold on the marketplace (page 160).

This fear is expressed in interviews also by Pertoft and Dinamarca among other Swedish political decision-makers, including those that are for entrepreneurialism within academia (see page169). University leaders continue to see, despite this pressure, their institutions as organisations that should remain as centres of academic inquiry. So, while politicians have been able to push through their proposal and even

make legislative changes to enable the universities to see students as customers, the institutions are still not ready to do so. The country's universities are still standing at the edge of "the most important markets".

Ruling Political Ideology.

There are, roughly speaking, two ideological power blocks in the Swedish political arena, the Social Democratic and the conservative. The right of the divide is led by the Conservative Moderaterna and the left is led by the Social Democratic Party. Both have their coalition partners. In the last seventy/eighty years, the Social Democratic Party's rule has been interrupted only on three occasions, once by the Centre Party in the 1970s and from 1991-94 by the Moderaterna and the now ruling right of centre coalition led by the Moderaterna Party. The political ideology of the ruling party's imprint on the purpose of higher education and the autonomy that the universities have is always clearly marked. Reference can once again be made to the four-dimensional typology devised by Bauer *et al* (1999, chapter 4) to demonstrate the influence of the government on the university. Their continuum that represents the purpose of education runs from 'cultural' – "emphasising the disinterested pursuit of knowledge. In addition, there is a high awareness of the universities' role in 'forming student character' (Clark 1995c, p.58) as evidenced by the traditions of Oxford and Cambridge" – to 'utilitarian' – where they also "place the traditional 'welfare state model', with socially defined goals for higher education and research" together with "academic objectives [that] are subsets of social objectives which can be laid down by systems and university managers' (Kogan 1992a, p.1929)" (pages 77-78)

When this purpose continuum is juxtaposed with the continuum that represents how authority is shared between the government and the university, four models of state interference are derived. In one case (see Figure 1) the state acts as 'Security Guard' to protect the Humboldtian ideal of unhindered intellectual enquiry. Bauer *et al* (1999) describe the second model as 'Honor Society', typified by the trust the state has in the university to run itself in terms of both their substantive and procedural autonomy. In the third typology, the purpose or substantive autonomy of the university is very limited. The government determines the objective and programmes of the university in order to achieve social goals. The authors label it the 'Social Goals' model, which is also in the discourse called the command or managerialist model. Finally, there is the 'Invisible Hand' model, which mirrors (page 78):

the theoretical possibility of academics functioning in an open market as providers of services to clients who are willing to purchase them. Students will be buying courses, and research will be supported by external sponsors and commissioned projects.

In this model, the level of autonomy the institution has to decide the purpose of education is limited not only by the government but also by the 'market', 'clients' and 'customers' who would have a say on programmes and quality of service.

The model that is operative is dependent, consequently, on what the government views as the purpose of higher education and how much freedom of action it wishes to allow the universities. This, in its turn, is a condition of the ideology of the ruling party. This fact is demonstrated by the differences observed concerning matters of the national objectives of higher education and the extent of state control over the universities between the era before and after 1991-94 when the Social Democrats were in power, compared to that period of interregnum by the Moderaterna. The political decision-makers will themselves pursue either a course of "appropriateness" – to be understood as what is desirable, most suitable or needed. Or they may simply let policy follow actor "preference" – what, despite all parameters of analysis, they like to do.

For the Social Democrats the purpose of higher education is utilitarian. It should help less advantaged citizens to advance themselves economically and socially; it should lead to the enhancement of equality. However, they have also had the 'market' as a central pillar in their education policy. In this case, it was the internal labour market. The introduction of five 'study lines' dictated to the universities was to streamline teaching and research at the university with the demands of the labour market. In effect, the universities were to produce graduates to feed the labour market. It was a Human Capital developmental approach. That, and the expansion of the welfare state, was the essence of their reforms in the 1970s and 1980s, with incremental changes that took recognition of changes affecting higher education around the world (see Chapter Five; Bauer *et al*, chapter 5). The theme of 'market' in the Social Democrats' policy had nothing to do with the provision of education for sale as a commodity to whoever was ready to purchase it. In summary their policies were utilitarian and followed the logic of appropriateness.

On their part, the Moderaterna live out the traditional conservative values, the central pillar of which is the individual and her preferences. When they came to power in 1991 they quickly worked to give greater freedom to the universities, regarding the

design of curricula and admission of students, but attempting to introduce performance measurement and tying financial allocations to elusive measurements of quality; they worked to do away with the study lines even though they also desired that the universities produced high quality manpower for the local labour market; they paved the way for state universities who desired to do so to establish themselves as private institutions, introducing also some degree of elitism into university education. When they were removed from power in 1994 the Social Democrats immediately reversed some of these policies. The analysis of Bauer *et al* (1999) is that most policy decisions by the Moderaterna ensued from actor-preference. They summarise the 1970s to 1990s reforms:

On the horizontal axis representing ‘purpose’, it does not seem evident that a dramatic shift has taken place. Rather the situation is more complex, allowing for a mixture of both cultural and utilitarian purposes, but with a stronger emphasis on utilitarian. The question in the 1990s is also one of ‘what type’ of utilitarian purpose is state-determined, incorporating goals such as social class equality, regional development and needs of the job market. This type dominated in the 1970s and 1980s. During the early 1990s, the Government’s legislation provided a shift towards the ‘invisible hand’ type, with the movement toward decentralisation also changing the nature of the ‘utilitarian’ purpose – with a variety of different needs raised by various ‘market’ actors (page 142).

This research identifies a shifting of the ground on both sides. The data reveals that the Social Democrats appear to have moved to embrace the ‘market’, now in the sense of education being available for sale to willing buyers, albeit to an indeterminate target market. Shortly before it lost power to the ruling coalition, it introduced the possibility of tuition-fee financing of higher education. This for the Social Democrats ought to raise some moral issues affecting the whole tenet of social democracy and the party’s ideology. In what may pass for self-critique the Social Democrat Damberg agrees that “it would be very wrong to so do for many reasons, partly ideological, that it would shut out groups from higher education”. On the other hand, while some coalition partners of the right-wing parties now in government are open to a mixture of private and state, the Moderaterna no longer wish to pursue the privatisation of state universities, according to Hjalmered, maybe not even foundation status as they did in 1991-94. The Ministry of Education says that the government is not thinking in that

direction either. This could also be critiqued as an admission that the earlier move had, at best, been hasty. There is commonality of view on both sides regarding commercialisation and the introduction of tuition fees for non-EEA students, with certain conditions, which no side is ready to move to implement. They are also agreed on the continued tax-financing of education for Swedes and EEA students. On the authority side, both sides desire both that universities have greater 'autonomy', about which there is lack of consensus on scope, and also that there is need for close supervision so that state resources are used for those objectives they are allocated for.

However, one thing that Bauer *et al* (1999) point out is that policies are designed more on the basis of actor-preference than that which is most desirable. And right now, the situation is in a state of flux. This means that the possibility exists for Swedish universities to turn entrepreneurial on the preference of a ruling coalition.

This of course would not mean full autonomy. That is not a realistic situation for any university that has not been established from the beginning as a full business venture, or which, even if it were so established, does get a considerable state grant (or even patronage) towards its running costs. The possibility is indicated mainly by two things: the first is the overarching decision-making power of political leaders over the universities on major policy direction, e.g. the introduction of tuition fees for non-EEA students. Coupled with this is the disinterest of the universities in taking initiative on such matters, as well as their evidenced stand against the commodification of education. All of this is to say that if the government decrees it, it would happen. As Nilsson and Damberg confirm in interviews, awaiting governmental commencement directive is the reason it is not yet enforced. Wallqvist at the Ministry of Education states, "...we have not, as I said, come to a decision on that question". Interviews with two vice-chancellors further illustrate this point. They mention the ongoing discussions and new studies (that would be third) about tuition fees, and indicate that they "don't know" "if it will happen", "where the state is going to land". What this indicates is, firstly, that this is not an initiative that the universities are taking in order to earn themselves money, and secondly, that they are waiting for the state *to land*, or let them *know* its intentions. In other words, whatever the state decides is what they would do:

Well, I don't know where the state is going to land. What is being discussed now is the non-European students, if we are going to have it. Otherwise... it is a problem that we have free movement within Europe in some way. Where it is going to land I don't know (Myhrman - interviewee).

...there is a suggestion now to ask fees of non-EU foreign students... If it will happen I don't know.... I believe also that we are coming there, the remaining Nordic countries. I believe the first is to start to take fees for non-European students and then it comes (Nybom - interviewee).

The question then is whether the government could direct it. There is indication of that. There is evidence that the government could succumb to the neoliberal avalanche that the country had resisted. Evidence for this with regard to higher education is the fact of the Moderaterna's 1991-94 moves when they attempted to privatise state universities and perhaps more ominously, the fact that it was the Social Democrats that legislated the tuition fees regime for non-EEA students, after having halted the move towards privatisation of universities. Another indication of the possibility is the fact that the present ruling centre-to-right coalition appears to be set on the course of neoliberalisation, evidenced by their actions in the first year of government, on income tax, property taxes, unemployment benefits, rent regulation, the openness principle in recruitment to fill top public service positions, and their dissolution of the boards of over 300 state authorities, making the chief executives the alpha and omega without the supervision of boards. The boards not only ensured the proper management and accountability of these authorities, but were also seen as signifying democratic participation. To give one concrete example, a commission set up by the coalition government is going to submit in April 2008 recommendations for public utility (*allmännyttan*) housing companies to be run as private sector businesses, so that they would "strive for the highest profits possible". The law establishing these companies would be changed so that:

- The companies will be run on business basis.
- The local authorities will not take any actions that would mean an advantage for the companies.
- The local authorities will run the companies in the same way a private investor would.
- Investments will be made only if they are expected to give market-level returns.
- If the local authorities will get better returns by selling properties to housing associations they must sell.

- The companies must pay market-level returns for the local authorities' guarantor undertakings.
- The objective must be the highest profits possible (Berglund 2008)

These public utilities normally make excellent profits at their current 'non-market' rent levels. There is nothing to contradict any suggestion that the next step might be to sell off these properties to those who have money today to buy them. That happened under Margaret Thatcher's Conservative government in Britain, resulting in high rents and poor standard apartments as buy-to-rent landlords take advantage of the poor. Furthermore, the fear may be nursed that if it happens with public housing, and is happening to some degree with healthcare and old age pensions, then it could well happen with education. This could be surmised as a deliberate corroding away of the welfare system, which would appear to have the effect of making the average person poorer and putting more money into the hands of the capitalist class. This perfectly fits with Harvey's (2007) typology of neoliberalism. He claims that neoliberalism is either a utopian economic project or "a *political* project to re-establish the conditions for capital accumulation and to restore the power of economic elites" (Page 19). As part of the machinery of this project, he argues, neoliberals do not like democracy, they move towards authoritarianism. Some may interpret the dissolution of boards and the recruitment of top public servants without advertising the vacancies as setting course in that direction.

However, resistance is to be expected, among others, from the national student body and organised labour. As Harvey (2007) narrates, earlier neoliberalisation efforts in Sweden were stunted by public resistance led by organised labour. For a policy of commodification in the area of higher education to become reality the coalition, if they remain in power long enough, must win over labour, the universities – both staff and students, the media and the public service. They must reckon with a real battle.

View of Education as a Public or Private Good

It is accepted that there is a correlation between the economic system in a country and the pattern of provision of higher education. In Europe, for instance, neoliberal Britain has its universities quickly embracing entrepreneurial provision, whereas in what Donald Rumsfeld and Tony Blair refer to as old Europe the idea of education for those who are ready to pay for it has not been embraced. Accepted most European countries charge their students fees of some sort, but mainly these represent

insignificant sums of money and provisions are made for poorer students. The crucial thing here, between the hyper-capitalist countries and those where socialism is embedded is their view of education either as a private or a public good (see pages 89-99). The stand of the political leadership of a country would determine to a great degree if education is a social provision or a private good. As St Clair and Belzer (2007) argue, “changing the context of educational research is a political issue” and not just a scientific one on which academic freedom rules, and which is the decision of the universities.

Swedish higher education policy makers are unambiguous about the status of higher education in the country. It is a social provision. This is entrenched in the Higher Education Ordinance. The right to cost-free education has long been established. In the early 1990s some groups and individuals spoke up for charges for students at universities but this did not have an effect. Even as the Social Democratic government changed the law in 2006 to facilitate a fees regime for foreign students, home and EEA students were still in the revised law guaranteed tuition-free education. All of this gives strong indication that the state still views education as a welfare provision, instead of a private good. This stand is consolidated during interviews with members of the Parliamentary Committee on Education. Many of them pronounced vehemently that the education of young people is a project in the national interest; it is not a good that only the rich should purchase. Even those parties furthest to the right of the political divide see education as a public good. Education empowers the nation to be productive and competitive; it is a way of guaranteeing the democratic and economic development of the country.

It is apposite here, in order to crystallise the generic view on whether education is, and should remain, a public or private good, to more extensively cite the interview responses of parliamentarians and university vice-chancellors:

...my party is positive to the free market and private initiative and so on, but at the same time, we think that education is a societal responsibility also and everyone's right to receive an education and everyone's possibility to study irrespective of their economic status must be secure.

But we think that universities should be able to sell services. We think the universities should be active concerning the commercialisation of research. We think for instance that they should be able to sell places to foreign, both foreign and Swedish companies

and so on. On the other hand we have up to now said no, both my party and the coalition government, when it concerns taking fees from Swedish and European students (Nilsson – Folkpartiet).

We do not have tuition fees for higher education in Sweden. We Social Democrats are against it, we don't believe in it. We think it would be very wrong to so do for many reasons, partly ideological, that it would shut out groups from higher education, eh, disfavour talented students from parents that do not have a lot of money and it would make Sweden lose the reserve of talents that the society ought to use. We think it is a waste of resources in that way (Damberg).

We think it is a very important principle that education should be tuition-free (Wallqvist – Ministry of Education).

...we have stood against charging school fees from students at all [irrespective of where they come from] (Dinamarca – Vänsterpartiet).

I mean, as I said, we are positive to universities earning money in several ways, but not through student fees and not in such a way that they become dependent on certain companies and their products.

Well, we have a fear that if we start introducing fees for students in Sweden it will very easily develop to cover all. But we are also generally opposed to fees at all for students, because, to say, e.g., non-EES students should have fees, well, I think it is very important, just for...especially for those countries, not the EES members, to have the possibility to send their students to Sweden... We don't like that [fees proposal] at all (Pertoft – Miljöpartiet).

I mean, for me the basic thing in the Swedish school, educational system, is that it should be funded by taxes.

But as I said, I mean, the main focus should be on the normal education system. And I think it is important that it is tax-funded because such a system could encourage sort of social mobility and I think that education is the best thing in order to encourage such mobility... Therefore, I think the main thing is that it should be tax-funded (Hjälmered – Moderaterna).

The same views are expressed by university leaders, who also, without exception, see education as a social provision for all citizens. They see educational institutions, like healthcare installations, as part of the national infrastructure to which everyone should have access. Education has the quality of non-excludability and it is best provided by the state with common resources:

Never! For me higher education and research are common goods that have to be always financed by the state with tax resources (Snickars – Royal Technical College).

Well, with the tradition that we have, we don't see ourselves as part of that sector; it's that simple, in the same way that we don't see the health service... I see education and research as part of the infrastructure of the society, to develop the society... I think it is in many respects positive that we have free education in Sweden (Palmer – Mälardalens University)

Yes, I don't believe one can... in the Swedish system fees would be difficult to make a social directive... If it will happen I don't know. For that matter right now there are really only three countries where there are no fees... I believe Scotland has no fees; otherwise it is Sweden and then Norway. All other European countries have fees of some kind. I believe also that we are coming there, the remaining Nordic countries. I believe the first is to start to take fees for non-European students and then it comes. But I believe it would still be a long way to the American fees or even the English fees (Nybom – Örebro University).

There is a debate in Sweden about charging fees of students from outside the EEA, that is EU, Iceland, Switzerland and ... The reason is, as has been put forward, is that Swedish taxpayers should not pay for the education of as many as possible from other countries when it becomes easier for them to come here. Em... I think we should not do it... I think also that it is not co-operative (Noren – Karlstad University).

It is in the ordinance that we must not do things that encroach on our normal activities, I mean offer education tuition-free to students.

I have thought about this question very much and it is broadly debated in Sweden. There is a political ...old agreement, philosophy, one can say, in Sweden, that higher education should be free, tuition-free. Since that is the case for Swedes, it should also apply to EU

citizens according to agreement, and it is applicable to all even if one comes from outside the EU...

I think we have quite a lot to gain in being able to say that we don't get paid (Bremer – Stockholm University).

Considering this view, then, even here, a critical driver of entrepreneurialism is missing in the Swedish higher education system. Vice-chancellors narrate that their institutions are state authorities (Bremer, Palmer, Myhrman). A public social service is one from which money is not to be made in a business sense, except in neoliberal states. Indeed, the Higher Education Ordinance clearly spells out that education should be at no cost to the student. Furthermore, the statutes prevent the universities to engage in crucial activities that would make them entrepreneurial, even though these are being debated, Hellström (2007: 482) writes:

...in at least two ways, universities are legally prevented from turning themselves into 'entrepreneurial universities'. Firstly, the 'teacher exemption clause' from 1949, which gives faculty full ownership of their discoveries by default, is still in place, and, secondly, the universities themselves are not allowed to own property (by dint of being public institutions).

What is clear from all this is that the higher education system is discouraged from seeing itself as anything than an arm of the state, just like the judiciary or the military, existing to train high calibre manpower for the needs of the nation through the unfettered pursuit of knowledge.

Organisational Pathways to Entrepreneurialism

The entrepreneurial university has a management core that is strengthened to steer its activities. Or, to be entrepreneurially competitive such a *strengthened steering core* should exist. The first question put to vice-chancellors was for them to explain how the central management of the institution was set up and supported to indicate the key influences in decision-making and resource allocation. The answers would give an indication of how the 'strengthened steering core' is built up at each university. A strengthened steering core would mean that more people are pooled together to support what originally constitutes the management group. It follows then, that either they are performing new tasks – created out of necessity to enable the entrepreneurial university

respond to the demands of its customers – or that what constitutes the management tasks are distributed, or that the management team arrogates more powers. While Clark (1998) eulogises this set-up as an apparatus of synergy and broad participation, Marginson and Considine (2000) show a scepticism that dismisses the talk of devolution as “a key mechanism of the new executive power, a part of centralised control and not its antithesis” (page 9). The faculty and departmental boards are the traditional levels of management at the university. The 1993 reforms statutorily provide for the executive vice-chancellor, reflecting “the ideological impact of New Public Management (and the corporate enterprise model)” (Askling 2001) in the policy formulation of the Conservative government. The power of the vice-chancellor has again been boosted by the new conservative coalition that came into power in 2006. The university board can now be appointed by the university itself, and the vice-chancellor could also be its chairperson.

There is also, at each university, core groups that assist the vice-chancellor to run the institution. Askling (2001) describes them as “special support units”. We can categorise them into two groups. First is the increased number of deputy vice-chancellors, who are academics but whose roles as deputies are managerial. They are described as ‘Executive Officers’ and have titles such as ‘Director of Co-operation’, ‘Head of Development’, ‘University Director’, etc. These are often in addition to the traditional deputies in charge of academic matters, overseeing programme development and teaching and research quality. The second group is constituted of the heads of such quasi-autonomous offices as those for outreach and self-standing Business Units. The establishment of such units is attributable to the expanded interest of the universities in commercialising their research findings, being more useful to society, through technology transfer. It is understandable how the presence of these units to engage in broadening contact with the rest of society and stimulating regional development, can stretch the supervision of the chief executive. This may then account for why the vice-chancellor needs more deputies. In fact, it might be more rightly described expanded steering core. With the massification of higher education and the expanded outreach activities that have necessitated the establishment of many and varied special support units, the executive vice-chancellor has to depend on handpicked, managerially capable academics or outside professionals to extend his reach and authority.

The *academic heartland* must be maintained as the inspirational source of the university. Teaching and learning, with the student as the *sine qua non*, is the *raison d'être* of the university. The academic heartland is actually strengthened at Swedish universities. The observation of Bauer *et al* (1999,) which is confirmed by this research at the questionnaire stage, is the fact the 'executive' vice-chancellor rarely acts like the business executive. Asked to categorise the type of management relations between various tiers of authority most universities answered that they had federal type of governance, but also that those who have been appointed by the vice-chancellor remain in their departments and faculties, as manager academics. Marginson and Considine (2000) interpret such appointments as not indicative of decentralisation or actual delegation of power, but that such appointees serve only to advance the interests of the executive vice-chancellor and that by appointing them the vice-chancellor brings their faculty and departmental budgets under his/her control. Another take on this could be that by remaining in their faculties some of the power exercised at the university's headquarters is in practice moved to the faculty or departmental level. The professors are not removed from their academic and research duties, but their status is enhanced in actuality by the addition of management duties in their positions. Their new status gives them new impetus as deans or heads of departments and in that way the academic heartland is maintained.

Clark (1998) demonstrates that the entrepreneurial university engages in a far wider range of activities than a traditional university. There is a vision of development that has to be catered for by *an expanded developmental periphery*. Sporn (2003) expatiates that "As external demands accelerate, universities have to create a strengthened periphery to translate external demands into adequate internal responses". According to questionnaire data, they materialise at various Swedish universities as "External Relations Office, with Vice-President for the Third Mission", "Technology Transfer Office" or "dedicated Central Co-ordination Department". One university carries out some of these activities through a holding company. It is logically the expanded developmental activities that have given rise to the strengthened steering core. These expanded developmental activities are on the two fronts of both the core business of the university and the peripheral. Peripheral activities are those that focus on such issues as contacts and cooperation with industry and the local community, business, contract research, commercialisation, image management, internationalisation, etc. At various universities there is determined work with setting

up business units, science parks, strengthened recruitment drive for international students. It is not clear whether all of this is done in aid of market entry, even though the coupling between internationalisation and the marketization of education is established. These activities may also be engaged in as a way of measuring up to the competition without financial reward being the primary or major objective. In other words, universities in other countries are building science parks, expanding commercial activities and promoting themselves as global institutions to make money and this is helping build up their reputations. Sweden need to compete with them on the global arena for high quality researchers and good students, so Sweden must also do these things to compete on the academic front. Indeed, one university stated in its questionnaire response that globalisation “leads to a worldwide competition between higher educational systems and between individual institutions”. The parliamentarian Nilsson emphasises this need at an interview when he argues that Sweden would face stiff competition from countries such as China and India, and that was a good reason to be present and compete in these markets, otherwise Sweden would lag behind. Academic programmes are being restructured and more courses are on offer and being developed to meet not only the capabilities of academics but the preferences of potential students and the needs of the market. Research is tending towards cross-disciplinary projects as the norm, while greater cooperation and joint ventures with industry is actively sought. But are these developments carried out as entrepreneurial ventures? The answer, in the Swedish case, is yes and no. At home, the expansion of the peripheral activities appear to have the objective of satisfying the state’s need for the universities to contribute to regional development through cooperation and technology transfer. Abroad, however, the intention is to provide these services for money. Yet even this appears to be indirectly. Interview responses indicate that, primarily, Swedish universities’ programmes abroad are in support of the expansion of Swedish export companies. The universities’ interest in countries coincides very often with the countries in which Swedish international companies are most active. The arrangement between Mälardalens University and companies like Ericsson and ABB exemplifies the point.

The core idea with a university turning entrepreneurial is that it demands independence. Autonomy means self-sustenance; therefore, the university must have a *diversified funding base*. There is a determined drive to diversify the funding base of Swedish universities. This drive is not only on the part of the government putting

pressure on the institutions to convert more of research output into products – a major objective of the 2005 Research Bill – but that the universities themselves feel that necessity, and they realise that they cannot get all the money they need from the state. Universities (Uppsala and Karlstad are examples) are establishing peripheral business units to take care of negotiations with lecturers/researchers on processing patent rights and so on; they are setting up alumni and other fund-raising activities where these did not exist before; they are expanding their contract delivery of programmes and courses both locally and abroad. Few university leaders are also open to fetching tuition incomes from non-EEA students, if and when this becomes possible. In all of this, they have the backing of the government. All the parliamentarians interviewed in this research yearn for the expansion of the commercialisation of research results, not mainly as an income source for the individual university, but because of the impact on the Swedish economy, as Nilsson, Damberg and Hjalmered highlighted at interviews, in terms of spin-off companies, employment and regional growth. The government, as the Ministry of Education revealed in the interview, is considering making funds available for this purpose. Some political decision-makers also support the universities earning tuition incomes from non-EEA students. While it could be said that there is frenzied activity in this direction, the progress is slow in terms of what is being realised in crowns terms. This is hinted, among others, by Myhrman and Palmer. Swedish universities are entering this field newly so it is clear that a lot of work will be done before the funding base becomes really diversified.

Whatever be the case, however, there is no indication yet, that this diversification would mean being more like business or a degree of autonomy that would mean the patronage of the state becomes insignificant and the universities would sustain themselves, as rent-seeking organisations, from profits they make from their activities. Clark (1998: 55) postulates that an entrepreneurial university exhibits “income-raising vigour”. This ‘vigour’ is at best doubtful at Swedish universities, while the intention to raise money from other sources is firm. They enjoy the security of knowing that the state patronage is totally reliable since education is a public good. They know that no other sources of incomes they could turn to could ever match the patronage of the state, which must give hundreds of millions year on year (see page 190). The expression articulated by an interviewee, that if the university becomes autonomous in the spirit expressed by Clark (1998) and Shattock (2003), “Then there will be a more uncertain inflow of money. It means that one must function as a very active company to compete

for resources” shows feeble income-raising vigour. Swedish universities are not seeking that kind of autonomy also because they know that any other funding sources they could turn to would be short-term, while they need to plan long-term to remain globally competitive.

Integrated entrepreneurial culture. A good place to start this minor subsection is Clark’s quotation of his interviewee on the description of the entrepreneurial university: “an entrepreneurial university is a university of entrepreneurs” (1998: 55). The permeating attitude to take risks and to make profit is not only crucial but is paramount to being entrepreneurial. Clark also describes how this works in reality: “All [departments] were ‘cost-centres’, and ‘profit centres,’ in which inattentive administration, or unwillingness to seek income, would become self-destructive”. At Warwick or Twente University perhaps an unwillingness to seek income would be self-destructive for a department, for the simple reason that they are entrepreneurial and what entrepreneurs do is to seek surplus income. This should be contrasted with universities, on the other hand, that deliver a public service with financing provided by the state. At such universities it is unlikely to be self-destructive not to seek surplus income. Earlier in this chapter this researcher proposed that an entrepreneurial institution is not one that merely sells excess capacity resulting from successful research or management efficiency. It is one where the infrastructure, programmes and processes are designed consciously to deliver services to earn income and make profits. This was the view with the establishment of Science Parks at Warwick, for instance.

What has been noted about Swedish universities, even in those areas where they engage rigorously in commercial activities, is that they are selling excess capacity and, there is a more conscious drive now to turn the results of successful research into products. An integrated entrepreneurial culture can hardly be identified anywhere within the system. Contrary to that, in answers to questionnaires and interview questions, university leaders take a stand that is clearly opposed to such an attitude. “We don’t consider education as an industrial activity”; “Not an ‘industry’ as we are not allowed to ‘earn money’ on education” and “The university does not see education as an export industry” are some of the answers given in response to the question on education as a tradable export commodity. While a slight majority of those that answered the questionnaire were open to engaging in the commercial provision of educational services, it is clear that what they mean is offering contract programmes both at home and abroad and conducting paid problem-solving research for the private

sector. It is the vogue now to set up special units and holding companies to deal with all commercialisation of inventions. However, Hellström (2007) discovers that:

There is a notable lack of discussion or explication in strategy documents as to the economic relation between these holding companies and the university, other than some recurring notion that ‘revenues will be returned to research’ (page 483).

An entrepreneur with vested financial interest would have clearly defined economic goals, closely direct the activities and measure success. Such a drive was not discovered by Hellström. Instead, his further finding is that no zeal has been shown either toward the goal of stimulating entrepreneurial thinking through the dissemination of information about the processes of commercialisation.

Irrespective of the expanding activities with the conversion of research results into products, the universities themselves cannot be said, based on this, to be on the path to entrepreneurialism. We recognise that many universities have units now that deal with this matter, but the following citations from interviews reveal the possible limitations that these units have due to the teacher exemption. This is also the view of many vice-chancellors, except Nybom, who argues that there is no research supporting the hypothesis that the teacher exemption limits commercialisation, and Snickars, who thinks that it is a non-issue because “incomes from commercialised research results will never be an important source of income for the educational institutions. It will never be so”.

We have set up a fairly big service where we help the researchers to commercialise their research result. *If one wants then one can pay there for the help.* If one wants to do it in another way, the person can share with the university. One says, e.g., if I get help with commercialisation you get ten percent of the result or so. I mean, it is deal all the time. One can do it in different ways but one has to pay for the competence (Myhrman – this author’s italics).

On the other hand, there is the teacher exemption... maybe it influences the commercialisation of research results.... What we have done here is that the Co-operation Director has carried out an inventory [] of all the research groups and spoken with all individual research leaders *to offer help and support if they wish...* When the support is available there is possibly little opposition from the individual teachers and they escape doing it themselves, so to say... but it is clear that it presents a degree of

limitation. And I am aware that there is disagreement within the government and the department as to whether the exemption should be maintained or not (this author's italics).

Nowhere! No. I think it is coupled to... If the university becomes more like a company then the teacher exemption disappears, because of that logic; but if the university is a state institution it is another type of logic, so it remains. That is what I think (Noren).

Some other universities reveal in their questionnaire responses that some researchers have long established contacts with companies to whom they send their research results. Besides, whether or not the teacher exemption limits wide-spread commercialisation, so long as it is the individual researcher that has the rights to the results, it is not the university that earns money from it. Deals may be made on a case by case basis, but the university would hardly be negotiating from a position of strength and never likely to be principal beneficiary. Noren agrees above with a number of parliamentarians (Hjälmered, Pertoft and others) that no other employer allows the employee to keep title to the results of his/her work within the organisation. Another perspective is presented by Nybom, who demonstrates with the example of the USA, where the sharing of benefits is grounded on the argument that the state invests in establishing the universities and owns the facilities while the researcher provides the brainwork.

Characteristics of the Entrepreneurial University

With the 1993 higher education reforms by the Moderaterna, Swedish university leadership moved from one where the vice-chancellor was first among equals, a coordinator appointed by his mates (Askling 2001) to one where s/he was given executive control. Exercise of the executive power should be akin to that of the CEO of a business concern. However, this power is rarely exercised in this manner at Swedish universities. Most universities have a federal system of decision-making; there is delegation of authority and even financial control is devolved.

One can then also say that the university is decentralised in that way that a lot of decisions and issues are delegated downwards either to the faculty or to the departmental level. And we broadly send down to the faculties most of the money we have and the faculties send down most of what they have to the departments”(Bremer – interviewee).

Some universities have up to five layers of authority, from the board, the vice-chancellor's office, the deputies, down to the departments. In general, the reality is that the vice-chancellor has to depend on lots of people in order to wield the executive power. Dependence can in fact mean vulnerability. Nevertheless, the vice-chancellor has what looks like enormous powers if the incumbent wishes to use them. While there is usually wide consultation within the academy, the vice-chancellor in principle makes all executive decisions. In that sense, the vice-chancellor nominates the board of the university to the government to appoint. Even that is history now, because the new policy of the ruling conservative coalition is that the vice-chancellor and the management could appoint the university board. But as a further example of the reluctance of Swedish vice-chancellors to exercise executive power, "now a majority of the Swedish universities have decided to follow [the old] model" (Noren). The vice-chancellor nominates the deans and the deputies. Some vice-chancellors also have 'kitchen cabinets' that are the *de facto* management groups of the universities. And the vice-chancellor has control over all the financial resources of the university, in such a way that it is within his/her power to move monies around, irrespective of budget provisions. The vice-chancellor has no slush fund, because all funds are pushed downwards to the faculties and then to the departments, but s/he "simply can take any amount that is needed for strategic investment". This kind of power puts at the vice-chancellor's disposal a slush fund that "is zero and everything" at the same time (Bremer – interviewee).

Another characteristic of the entrepreneurial university is that it has "a distinctly corporate character...marketing mediates much of the relationship with the world outside, and performance targets are superimposed on scholarly honorifics" (Marginson & Considine 2000: 4). It is, in other words, "a university of entrepreneurs" that exhibits "income-raising vigour" Clark (1998: 55). Such characteristics are not exhibited at any Swedish university that was studied during this research. There are three notable private universities, the Stockholm Business School, Chalmers and Jönköping University, but as has been noted before, they operate under the same regulations as the state institutions, even though they have greater leeway in the disposal of funds, taking as example the investment patterns at Chalmers Technical University that Hjalmered cited. Where they make any profits, "it is not as if there is a private person in the management of Swedish universities and colleges who sits and takes out money as profit from the universities" (Damberg – interviewee). Any profits

are reinvested in the core concern of the institutions. There is no money-making zeal and neither politicians nor academics “have the view that education or healthcare issues are trade issues in the first place but welfare issues” (ibid). Thus, there is also testimony that the market does not define the relationship of the university and its environment. While everyone is conscious of the growing global student market, it appears a national or systemic strategy has not been formulated for how to truly enter it, participate in it, and how to make money from it. See the confusion about tuition fees, which is in fact the basis of the very important ‘global education market’ – putting the cost of education on the individual student. This is a hurdle the system is still grappling with. Performance measurements by outside bodies were rejected by the universities; there are no British-type league tables. The universities have the responsibility to maintain quality standards through a system of internal peer-review and self-evaluation (see pages 185/186), and those appointed to strengthen the steering core are usually academics of repute. Research funding bodies also control quality in relation to the funds they disburse for projects. Peer-review could be extended to include external assessors. Then there is the assessment by the Högskoleverket. All of this helps to maintain quality.

Entrepreneurial universities choose their programmes and activities “from an increasingly restricted menu of commercial options and strategies” (Marginson and Considine 2000). The evidence from this research in relation to Swedish universities is that options are not selected with commercial considerations. It may be part of the performativity culture of entrepreneurial universities to discontinue programmes that are not bringing in surplus incomes, but in Sweden where courses have been discontinued this has been across the board and has not reflected the income earning capacity of particular courses. Questionnaire answers indicate discontinuations in “Electrical Engineering, Mechanical Engineering, Informatics” and “In [the] Humanities, Social Sciences, Natural Sciences and Technology”. The reasons have had more to do with shortfalls in the numbers of applicants and the technical universities and departments have suffered the most discontinuations. The questionnaire data (see Table 8) shows that programmes, rather than consider commercial viability, have been designed to satisfy the capabilities of academics, the demands of potential students and the needs of the labour market.

Vice-chancellors’ ‘kitchen cabinets’ are supplementing the traditional structures, such as faculties and departments; nuances of weaker collegiality may result also.

Partly, this is a way of coping with the new powers of independence and the expanded scope of activities of the universities that has forced upon them the need for new and perhaps unusual structures. In the Swedish case, it is clear that these are not structures established to support entrepreneurialism, especially since the entrepreneurial spirit is lacking and the fundamental view of education as a public good is hardly shaken.

The entrepreneurial university also has “a ‘pseudo-market’ in fee incomes... contested earnings for new enrolments and research grants”. A major aspect of this market is the education of international students, “now a key element of the enterprise culture”. In the welfare state education is seen as a social welfare provision, a vehicle for the emancipation of the citizens, for the advancement of democracy and the development of skills for the progress of the society. It is then easily understood that a welfare state would take up as a communal cost the burden of providing education for its citizens. When the provision of higher education transmutes into a commercial regime, where fees are charged for that provision, it is still easily understandable that the state exteriorises indigenous students from this regime. Were indigenous students not excluded, the state may be obliged to still find ways of supporting them to pay the fees, as with the different examples that Australia has experimented and works with (SOU 2006:7; Australian govt., Wikipedia). It might only create the bureaucracy of shifting state monies round and round. The alternative would be that the welfare goals of education would not be achieved, if only the wealthy can acquire higher education, a view shared by all interviewees. All this is clear.

The problem arises when the foreign students are cleaved in two: those who must pay and those who should not pay. The exclusion of students on exchange does not form part of this problematic, because it is in the nature of exchange programmes agreements between institutions. We can now look at specific examples to illustrate this argument. Sweden decides to introduce fees and exempts its natives from paying. Foreign students have to pay. However, it exempts all members of the EEA from paying tuition fees, while Africans and Latin Americans, e.g., must pay. In light of regional solidarity, it is easy to comprehend this. However, we begin to question the logic, or the criteria for this separate treatment of foreign students, when we move away from regional generalities to individual countries. For example, we may question why Nigerian or Mexican students must pay, but not British or Polish students. The membership of the European Union explains this discrimination so that even while Swedish students must pay fees in Britain and Poland, Brits and Poles will not pay fees

in Sweden. The principle is simple: a member state of the European Union must treat the citizens of all other member states as it does its own, like the biblical injunction to love thy neighbour as thyself. In effect, a Briton or Pole in Sweden becomes, for welfare purposes, a Swede. Yet some countries, Britain notably, have not fully subscribed to the principle. E.g., citizens of the former Eastern bloc countries that are now EU members can be denied social welfare benefits, even work permits, for a number of years. Still, while EU membership would explain the exemption of EU citizens from paying the proposed tuition fees, nothing in the policy explains why non-EEA citizens are being asked to pay where no fees hitherto exist. We can venture to suggest only two possible reasons. One is highlighted by Snickars in explaining the exemption of European Union students, simply that membership of fraternities confers some exclusionary privileges, which non-members cannot enjoy. Otherwise it could only be explained as trade with education.

What is clear from this division of foreign students is that the proposal of tuition fees does not indicate any financial need that the fees income would ameliorate. Were this the case, it would obviously be defeating the purpose to exempt from payment those who are more likely to come to Sweden to study, if for no purely academic reasons, because of propinquity, and because of the economic and social integration for regional solidarity promoted by the EU. The exemption of Britain and Poland also defeats the argument that tuition fees are a reciprocal action for Swedish students paying fees abroad. While Swedish students pay fees in Poland and Britain, it is not known that Swedish students, as routine, go to study in, say, Nigeria, Mexico or Vietnam for their degrees and pay fees there, for which Sweden now demands reciprocal fees.

This analysis shows that the proposal of tuition fees is not an entrepreneurial venture. In the leading countries in educational entrepreneurialism indigenous students pay fees. Many other countries, even within the EU, charge fees of indigenous students, even though they are very low fees. The grace they enjoy is that they pay 'home fees', which may be a third of what foreign students are asked to pay. Entrepreneurial universities in Sweden may be discounted the grace for home students and argue that, then, all foreign students would be asked to pay fees once they are not on exchange programmes. When regional solidarity is taken into consideration, the option is there to demand discriminating levels of fees. Britain, for example, charges EEA students the same fees as indigenous students, and charges non-EEA students

three/four times that. If the argument about reciprocity is not to be stood on its head, then at least, Sweden would ask those members of the European Union who charge fees of Swedish students to pay fees equal to what they charge Swedish students in their own countries. Some Swedish vice-chancellors have voiced, at interviews with this researcher, the unfairness in Swedish students having to pay for their education in other European countries:

I think it is unfair from a Swedish point of view because... Great Britain and England have a right to charge fees of Swedish students (Palmer).

But it will be wrong for our students because our students will then have to borrow their money to pay fees, maintenance and all. For the individual student it will be a bit wrong (Myhrman).

The parliamentarian Nilsson doubts that fees would be introduced in Sweden, but expects that if it does, then “all the countries” where Swedes pay fees should also be charged. However, it is doubtful if he has also EEA countries in mind, or how this would be practicable with the statute expressly exempting them.

If it is implemented as such, then it depends, then it does not apply only to Africa but also to USA and all the countries that themselves charge fees of Swedish students (interviewee).

By excluding Europeans from the fees regime, Sweden has excluded those who are more likely to come to Sweden to study and who would form, as all statistics indicate, by far the largest proportion of its potential clientele (see e.g. Tables 2, 3, 9 & 10). If financial reasons were the consideration, it would be questionable logic to exclude those who form the greater proportion of the potential clientele from paying, especially when they are also economically more capable of paying. This is against the spirit of entrepreneurialism. Furthermore, as Snickars also affirms (see page 215), it is a patently illogical strategy to want to attract foreign students by asking them to pay the second highest fees within the EU, especially as they were not coming in any significant numbers when education was free.

The traditional public sector accountability culture would emphasise the population of the public that receive a service and the quality of the service. In that

respect, quality measurement at the university would examine the quality of teaching and research, the employability of the graduates of that university, the number of admission-seekers who make that university their first choice, etc. At the entrepreneurial university quality measurement takes on the tradition of the “private sector and the culture of economic consumption” (Marginson & Considine 2000) expressed in its relations with all of its audiences or stakeholders. Again, this reflects the state of permeating profit-seeking and the neoliberal attitude of rent-seeking in all relations. This is the culture in which all departments are cost and profit centres (Clark’s 1998). Such an attitude is not found at Swedish universities. Departments may be cost-centres as a popular accounting system that has been adopted. Like every other organisation with limited resources, universities are also cost-conscious, and may even be forced to do more with less, but again and again, most vice- chancellors (e.g. Bremer, Palmer and Snickars) stressed that the focus of all the university’s operations is the delivery of high quality education. When both political decision-makers and academia refuse to see the university as business organisations or its ‘product’ as a tradable good, it is clear that private sector rent-seeking cultures are not acceptable within the academy. Swedish universities have stood against invasive controls and performativity measurements, as well as the ranking of universities into elite and ordinary, even though Nybom suggests that there is a natural perking order and the Law of Matthew operates. Here again, another element of what makes a university an entrepreneurial institution is found lacking.

Varieties of Entrepreneurialism

Hellström (2007) proposes that there are ‘varieties of university entrepreneurialism’ and ‘the range of entrepreneurial adaptations in higher education is almost infinite’ (Tomusk 2004). While both are correct, entrepreneurialism within the university system can be broadly divided into two categories: user-pays services to students, and business services. User-pays services to students include all the services within the university that students are asked to pay for, e.g. photocopying, hostel accommodation, and tuition fees for the teaching they receive (which may include rent for the facilities used in the process). Business services cover all the cooperation in aid of the Third Objective with governmental authorities, companies and organisations both locally and abroad, as well as the successful commercialisation of research results. The term ‘commodification of education’ may not rightly be used to describe

the payment for services such as photocopying, late return of library books, and such, which all would be part of the varieties of entrepreneurial adaptations. Commodification would rather be applied where the university takes tuition fees and where these fees go beyond the actual cost of providing the education, e.g. as in the UK. That is, where the university sets out to make money from selling its ordinary functions of research and teaching to the primary recipient group – its own students. In addition, the university would also design its infrastructure and processes to facilitate the delivery of its services to make profit. Universities normally get paid for business services. Those who order such services expect to pay for them. This kind of service for payment has happened all the time. From all the foregoing it is also visible that even Swedish universities engage in entrepreneurial activities; it is not a totally dry desert situation. The discourse on university entrepreneurialism is really about the commodification of education. This does not happen in Sweden. Apart from all of the participants in this research insisting that education is a welfare provision, universities are not allowed to make money from education, they do not see themselves as belonging in the business sector (Palmer) but as state institutions, and it is a pertinent affirmation of all this that the proposal to empower the universities to introduce tuition fees, is something they do not like (Noren) and “do not think [] is politically realistic in the first place” (Bremer).

In conclusion, an entrepreneur dealing in rice, computers, or Public Relations service would invest his own money (including loans from banks and family or money from risk capital investors). The sole motive is to make profit by providing goods and services for which there is demand. With input of good sense, necessary time and energy he would, all things being equal, make profits to live on. But he may also suffer losses, which he has to bear alone. The losses might be so great that he is forced to fold up the enterprise. This is the true nature of entrepreneurialism. Most universities that seek to ‘move on’ or ‘develop into’ entrepreneurial organisations, on the other hand, have been established and maintained for decades, even centuries, with public funds. If they become entrepreneurial organisations, it should mean, in tandem with the computer dealer, even allowing for the investment of public funds already made, that they would offer services with principally a profit motive and, equally vitally, they would have to survive on their entrepreneurial incomes. They should, in the words of Shattock (2003) become “truly autonomous”. The ordinary understanding of this is that they have “broken free...” and can no longer look for sustenance from the state.

Consideration could even be given to the nature of the entrepreneurial service of the university, and which thus should differentiate it from the rice dealer or PR service and on this account be favourably biased towards it. For, the service the entrepreneurial university offers is one in which the state has vested interest – the development of higher levels of knowledge and skills of citizens, for the advancement of both democracy and economic development. Let it be granted then, that the state continues to make a contribution in order to ensure this, to the independent, entrepreneurial university. Even so, certain conditions need to exist:

1. There has to be principally a profit motive for (establishing and) providing the services of the institution;
2. There has to be a system-wide general entrepreneurial disposition at the institution. Taking all institutions within the country, the higher education system as a whole also must have the entrepreneurial disposition;
3. The support from the state, if any, must be an insignificant part of the incomes and financial needs of the university, extended on a *quid pro quo* basis.

It is against this backdrop that the question of entrepreneurial universities should be examined. With all the analysis done so far, the indication is that these elements are lacking or are not possible in the Swedish higher education system. The programmes, processes and infrastructure of the institutions are not designed for delivering educational services with the profit motive uppermost in mind. The research by Hellström (2007) considering varieties of entrepreneurialism and this study itself found no permeating entrepreneurial disposition within the system. Indeed, this research confirms a strong stand for education as a social welfare service that should be financed with tax money. Even the collection of tuition fees from foreign students is an area where a majority are opposed to, are not bold enough or do not find worthwhile to venture into. This is so on the sides both of academia and politicians. There is a clear recognition by the universities that the state budgetary allocations to them cannot be replaced by any other income source. “But it is still naturally so that the contribution of the state is significant. It is large” (Myhrman – interviewee). “Think how difficult it would be to raise fifty, hundred million at once. And with the state it is every year, year after year after year. It is several hundred millions, it is difficult to raise” (Palmer – interviewee). It can never become an insignificant part of the financial needs of the institution. The government on its part is ready, in the same spirit of seeing education as a public good, to shoulder the responsibility for higher education funding. Today the

state funds undergraduate education by nearly 100% and directly or indirectly funds research education by 80%. Thus the condition of dispensability of state funding does not exist. It has to be concluded, therefore, that the entrepreneurial university in Sweden would be, as the Swedes say, *långsökt* – it is a stretch of the imagination. Higher education provision will continue to be, as far as can be seen into the future, a welfare provision. As a lawmaker passionately articulates it:

And I think it is important that it is tax-funded because such a system could encourage sort of social mobility and I think that education is the best thing in order to encourage such mobility. I mean, that you could be something, you could get a better future than your parents had, based on your own abilities when it comes to education. That's the nicest thing. It could give you great opportunities. Therefore, I think the main thing is that it should be tax-funded (Hjälmered – interviewee).

Chapter Ten

CONCLUSION

If a university is looked at as an enterprise, it would without doubt be one of the most complex of any organisation in a country. It would be difficult to imagine another enterprise with ‘members’ or stakeholders from so many different countries and so many different sectors of society, pursuing within the same organisation so many different individual programmes or personal objectives. Thus, just the study of any aspect the institution and its operations – management, recruitment of students, personnel development, curricula or funding – immediately presents the researcher with a complex task. It is perhaps more complex when the study is not just a review or an evaluation of what holds, but goes further in search of the possibility that a future policy development might occur. That the subject is the commodification of higher education in a welfare state increases its complexity, not only because, as Noble (2002: 1) notes, “both education and commodification... are often used with little precision”, but also because this welfare state, just like lots of others, is pressurised by environmental factors, such as globalisation, into re-examining its strongly held tenet that education is a public good.

In an attempt to unravel this complexity in this work, we have defined and analysed the pertinent terms as well as the factors that bear on the system, which lead to the “distillation of the educational experience into discrete, reified, and ultimately saleable things or packages of things” (Noble 2002:2).

Bearing in mind the definition of a commodity given by both Noble (2002) and Pearsall and Trumble (1995), the commodification of education is taken as defined by Noble (page 2), as the “deliberate transformation of the educational process into commodity form, for the purpose of commercial transaction”. Consequently, when a university commodifies its services, it is, foremost, not selling excess capacity or byproduct, as in the conversion of research results into products. Rather, education is commodified if the institution puts both a price and a mark-up for profit on the ‘product’ of its basic functions – teaching and research, to its primary client group – its own students. That is, deliberately turning its service into a service to be sold and bought (Pearsall and Trumble 1995, Noble 2002). In order that this definition is crystallised as we examine the Swedish system to see if higher education is commodified or could be commodified, other related terms such as commercialisation

and entrepreneurialism are also explained, borrowing from Clark (1998) and Hellström (2007).

It has been argued that a major influence on whether education is commodified or not in a country is the ruling political ideology, which may be reflected in the philosophy of whether education is seen as a public or private good. The complexities of private and public goods – the underlying philosophies, definitions and theories – have been discussed at length in this work (see pages 15-16 and 89-99). This question is especially pertinent for higher education, because lower levels of education have the backing of global treaties and bodies, e.g. the United Nations, that has declared them citizens' rights. We proceed from the premise that social policies have their genesis in the ideology of the ruling party. Let us demonstrate with the difference between England – where education is commodified – and Scotland – where the welfare-oriented Scottish National Party (SNP) now in government after the defeat of the Labour Party, has abolished student fees in pursuit of its vision that everyone should have access to higher education, unhindered by economic situation. This confirms the arguments of Naidoo (2003) and several others, that whether a good is private or public is mainly determined by politics. The political decision to remove tuition fees for its students can be interpreted as the SNP declaring that 'higher education in Scotland is a service we believe that every citizen should have if they desire it' and thus higher education becomes a public good, paid for by the state. On the other hand, since England fetches tuition fees from its citizens the interpretation would be that the view of political decision-makers in England is that 'higher education is a service we think the individual wants to have' and so the individual should pay for it. This makes it a private good in England. A decision to make higher education a public good elevates its 'secondary' utility to the society above that of its 'primary' value to the individual, since education has two types of value: 'use' or 'utility' value (what the holder of higher education – or the society collectively – can use it for or benefit from it) and 'exchange' value (how much money can be earned by having it or selling it) (Lyotard 1979; Shumar 1997; Johnstone & Shroff-Mehta 2003).

It is of course recognized that the fees in England are subsidized by the state. Nonetheless, it should be clear that it is not the price paid for a commodity which defines it as a commodity but the fact that it is sold and bought. We can recall again the definitions of Pearsall & Trumble (1995) and Noble (2002). Subsidy, thus, is in consideration of the secondary utility value to the society. England is thus saying,

'higher education is something individual citizens want to have, but we recognize that the more citizens that acquire higher education, the more society in general stands to also benefit, therefore, we will encourage citizens by subsidizing the cost'. If a father says to his son, 'here is my house, take and live in it because you are my son', the house is an entitlement. If, on the other hand, the father says, 'here is my house, it is worth £1m in the market, but as my son, pay me only £200k for it', it is no longer an entitlement but a commodity. The son has a bias in his favour in the setting of the price, because he is a son, yet that does not negate the fact that he pays for the house, or that if he wants to own the house he has to pay for it. In fact, price discrimination – as a subsidy, discount or as different prices for different market segments or in different markets – is a common marketing technique.

We can confirm the political determination of whether higher education is a public or private good in the Swedish case with the account of Bauer *et al* (1999) of the changes in higher education policy between the decades the Social Democratic Party was in power and when the conservative Moderaterna were in power between 1991 and 1994 (see pages 223-225). The two parties are also contrasted by interview respondents Myhrman and Bremer. The degree of freedom allowed universities as opposed to control over them; the social objective of higher education as opposed to the attempt to privatise and marketise higher education by one party or the other reflect their philosophies of the purpose of higher education in the society and the methods by which they want to achieve the purpose. All the policies that flow from the ideology serve to promote education either as a public good or a private good. It is granted that the ideology itself or its manifestation in a particular policy decision/action at a particular point in time may be built on some particular event or situation, for example, the UK's economic stagflation. Yet ideology is basically just a manner of thinking peculiar to a group or class.

As a public good, education is viewed as a social provision from which, like defence or protection under the law, no citizen could be excluded. Its purpose thus can be summarised as that of empowering the individual to be able to better him/herself and consequently, collectively, contribute to the advancement of the society. As a private good, education is viewed by those influenced by capitalist or neoliberal thinking as solely for the individual's own good, an 'equipment' the individual may need for his life journey, depending on what class in society it is his aspiration to belong. As such the individual who needs higher education because it would move him

up from one social class to another should also pay to acquire it. The argument is different in Sweden. The quotations of vice-chancellors and members of parliament, pages 228-231, show an overwhelming expression of the desire to leave education firmly embedded in the sphere of public goods, which would make it difficult to change to an alternative system of provision. For example, in questionnaire answers, universities said “We don’t consider education as an industrial activity”; “we are not allowed to ‘earn money’ on education” and “The university does not see education as an export industry”. In interviews, Snickars of the Royal Institute of Technology, for example answers, “Never! For me higher education and research are common goods that have to be always financed by the state with tax resources”, while his counterpart at Stockholm University, Bremer, says “I do not think any school fees will be introduced for Swedish students and EU citizens for many years” and Nybom argues that “in the Swedish system fees would be difficult to make a social directive”. This view is also held both by politicians on the right, for whom the norm is each individual for himself, and those on the left, for whom the norm is the collective. In Sweden, we find that even while higher education is recognised as a class journey, policy makers still elevate its benefits to the society well above its benefits to the individual and insist that it should be provided at communal cost so that no one misses the opportunity to acquire it if they so desire. For example, the parliamentarian Damberg stresses, “Earn money from teaching..? We do not have tuition fees for higher education in Sweden. We Social Democrats are against it, we don’t believe in it. We think it would be very wrong to so do for many reasons, partly ideological, that it would shut out groups from higher education”, a principle the Conservative Hjalmered also expresses when he emphasises that “I mean, for me the basic thing in the Swedish school, educational system is that it should be funded by taxes, in the meaning that... I mean, all Swedes, if they have the brain ability, they should be able to study at university”. Our premise is that the parliamentarians are voicing the views of their constituents and the vice-chancellors express themselves as people who have their fingers on the pulse of the society because they are also ordinary members of the Swedish society, they are parents, and they are university heads in touch with the youth of the society. What possibly could explain this is the fact of Sweden being a welfare state and choosing to remain so, despite globalisation, despite the reigning neoliberal paradigm and despite what its neighbours are doing. The tenet on which this is grounded is *folkhemmet*, and in this paradigm education is a public good.

From another perspective, whether or not higher education is commodified has to do with the entrepreneurial spirit that champions this system of provision. This is affected by several of the environmental factors that have formed the themes for the discussion throughout this work, such as a university or the educational system positioning itself for producing and marketing education as a tradable good, the pressure of globalisation as large numbers of international students troop into the country and strain the financial and other resources available to the universities, membership of international treaty organisations, e.g. the General Agreement on Trade in Services (GATS) which is working to remove national protections for the provision of higher education as a public good, etc. Within the university, if entrepreneurialism is taking root, this would be recognised through the changed characteristics of governance and structures of the institution, as Clark (1998), Marginson and Considine (2000) and Shattock (2003) have elucidated. In order to answer the question of this research, therefore, in addition to the treatment of the complex issues of the philosophical view of education as a public or private good and defining what we mean by the commodification of education, it is pertinent to also peruse how these environmental factors play on the Swedish system and examine the characteristics of Swedish universities to see whether they are entrepreneurial *en route* to producing education as a service for sale.

The research set out by perusing the available literature on the world-wide transformation higher education towards entrepreneurial provision and then concentrating on that of the Swedish higher education system, taking particular note of the *macro* and *meso* levels; that is, the governmental level that stands for policy and the institutional management level that stands for execution. Especially essential at the policy level are the educational policy objectives of the government from time to time, and how the government steers the universities in order to achieve these objectives, e.g. through its funding formulae and the degree to which it determines what the universities do – directing detailed planning or allowing a wide berth of autonomy. In seeking to understand this, the typology of Bauer *et al* (1999) on how the government marries needs and ideological preferences was very helpful. At the institutional level the researcher was looking for those characteristics in governance indicative of a desire to be like business – questions about seeking autonomy: to break free and act out of own free will; a state of mind to seek as well as vigorous search for surplus incomes that would be reinvested in research and teaching (in order to attract more surplus

funds), a very active professionally-manned, business-oriented periphery that is always concerned with output, measured using quantitative industrial methods; an executive head that commands and has the ambition to build an empire and personal reputation, etc. These were the themes around which the questionnaire was designed and questions were put to the policy makers and policy executors interviewed, so that we could confidently conclude if the transformation was towards entrepreneurialism, turning the universities into business corporations – where teaching and research are commodified and the student is customer.

The next step in the search was for the indicators of entrepreneurialism within the Swedish university system and its characteristics as theorised by Clark (1998), Marginson & Considine (2000) and Shattock (2003). While accepting the postulations of Tomusk (2004) and Hellström (2007) that there are various types of entrepreneurialism within the system adaptable in almost limitless ways, the position of this writer is that, similar to the case of commodification, an educational institution does not become an entrepreneurial institution because it commercialises its research output, or exchanges ideas and technology with the regional government companies and receives some financial consideration, in pursuit of set national policy objectives of contributing to regional development. An institution is also not an entrepreneurial university because it is enterprising, in the sense that it is daring, breaking new grounds or interrogates convention. This writer has proposed that an entrepreneurial university is one where the infrastructure, processes and curricula are designed with the mind of providing the university's services in return for payment, with the profit motive being a determinant factor in what it elects to do or not to do. This is also what Marginson & Considine (2000), Noble (2002) and Naidoo (2003) etc., mean. We may build one banal scenario to illustrate the meaning of entrepreneurialism proposed here. Let us say the reader is traveling away on holiday for three months. Afraid for the bills and safety of her property she rents out her apartment for the period and receives financial payment. This is of course a commercial transaction, since space is exchanged for money, and there may even be a surplus. However, the transaction is not entrepreneurial and the space in this case is not a commodity (even in the meaning of Pearsall and Tumble 1995) as it was bought to be lived in, and so she is only selling excess capacity. To contrast with this and drive home the point, if, on the other hand, the reader were a buy-to-rent landlord, then the intention would be, from the outset, to rent the apartment out at a price above the cost. In that case the commercial exchange

of space for money is entrepreneurial and the apartment is a commodity, because the motive for buying the apartment is to deliberately provide it for commercial transaction.

Since no university that is not truly autonomous can design its facilities and processes in the manner described above, the entrepreneurial university must also have such a degree of autonomy that financial inputs to its sustenance and operations from the state will be replaced or made insignificant by its own earned incomes. In other words, it has to have other streams of income and unearned incomes from the state must be a negligible portion of its financial needs. Autonomy is driven and sustained by financial independence. The institution that has this autonomy and is minded to trade in its services to make profit may provide its services as an entrepreneurial concern. Two vice-chancellors who were interviewed (Nybom; Noren) clearly made this connection between financial resources and autonomy. Nybom argues that autonomy “depends on if they have the resources to be autonomous. You can be formally autonomous but you don’t have the resources to be autonomous. There should be a balance between your duties and your resources. Then one can be autonomous” and Noren, that “Then there will be a more uncertain inflow of money. It means that one must function as a very active company to compete for resources. Autonomy has more to do with financing”. Even those that did not overtly say it, made it clear that universities within the Swedish system do not have the kind of resources that could make them autonomous. The parliamentarian Damberg describes the talk of autonomy as a “beautiful thought” and explains that “it presumes that they have money, their own money and one will not be more dependent than one is, in some way, and the Swedish universities and colleges do not have any significant wealth that they would be able to survive on their own. They are very dependent on the state financing and so long as they are so dependent the discussions on freedom or control will always be there”. As Myhrman, Palmer and Snickars (institutional heads) make clear, it is unlikely even that the institutions could ever meet their yearly financial needs through tuition financing, commercialisation of research results or funds secured from other, non-state sources. Palmer thinks, for instance, that “Financial independence would be [possible] if we could have a very rich sponsor, an oil sheik or so, but that is not realistic. We are never going to be financially independent ... Think how difficult it would be to raise fifty, hundred million at once. And with the state it is every year, year after year after year, it is several hundred millions, it is difficult to raise”. Considering even the cases of

Chalmers and Jönköping universities that are foundation, non-state institutions *per se*, but who still are financially dependent on the state for their nurturing, the problematic of breaking free without adequate own resources is demonstrated. Therefore, autonomy in the Swedish higher education system has come to mean progressive degrees of freedom to act or decide on specific aspects of the processes of the institution. “The vice chancellor or the university management simply can take any amount that is needed for strategic investment” at a point in time (Bremer), but that would be monies already allocated to the institutions by the government.

Do the universities desire autonomy? The revelation from the interviews is that total freedom – independence – is not desirable. The universities have welcomed the reforms that have given them the power over curricula, programmes and appointments. Not at institutional level, but at systems level, the vice-chancellors are demanding greater freedoms in recruitment matters (Bremer); the government is considering allowing the universities to own property (Wallqvist); the universities would like the freedom to explore new avenues for earning incomes – which would be invested in their operations and make them stronger in competition with each other and with universities globally (Snickars, Myhrman, Palmer); and some universities would like the freedom to organize their relations with industry in a different: “I would like to form partnerships and establish common organisations in another way, companies in certain cases because that has a clear structure, with businesses to pursue certain research and development activities. So that is what I would like to have, greater possibility to structure the way we work, not to be bound to be a state authority, where we cannot enter into agreements really” (Palmer).

It would have been expected that there would be a division between the older Swedish institutions and the newer ones that acquired university status in the 1990s; that the newer universities would be more open to being entrepreneurial, but there is no such division.

The centre-point of the aversion to the commodification of higher education or the running of universities as if they were business organizations is the consideration of Swedish and European students. Here there is *consensus ad idem* among both academic and political leaders who are firm that Swedish natives and their cousins within the geopolitical zone defined by the European Economic Area (EEA) should have their education paid for with tax money. For Swedes, according to the Ministry of Education, “it is a very important principle that education should be tuition-free”

(Wallqvist) and this has been clear for a long time, and thus enshrined in all the higher education statutes. This is pointed out by most interviewees, both political decision-makers and university vice-chancellors, e.g. Bremer, Snickars, Damberg and Hjalmered. “There is a political ...old agreement, philosophy, one can say, in Sweden, that higher education should be free, tuition-free. Since that is the case for Swedes, it should also apply to EU citizens according to agreement, and it is applicable to all even if one comes from outside the EU” (Bremer). This is despite the fact that within the European Union, almost all other countries charge fees of their native students. The voices that called for tuition fees for Swedish students in the 1990s were an insignificant minority that was mainly ignored and which now appears to be silent. This is a strong reaffirmation of the welfare tenet of the country. Still, this does not mean that the issue is no longer up for discussion.

There is no such convergence of opinion, on the other hand, where it concerns non-EEA students. “What is being discussed now is the non-European students, if we are going to have it” (Myhrman), which may also lead to further discussion about fees even for Swedish and EEA students, as Nybom speculates, “For that matter right now there are really only three countries where there are no fees... I believe Scotland has no fees, otherwise it is Sweden and then Norway. All other European countries have fees of some kind. I believe also that we are coming there, the remaining Nordic countries. I believe the first is to start to take fees for non-European students and then it comes”.

Sweden has been studying and talking about globalisation since the 1970s. Internationalisation aimed, and still does according to the findings of this research, to support the Swedish economy’s export-dependence (see citations of Nilsson, Nybom and Palmer, pages 203/204 & 220), by creating cultural awareness of various countries for Swedes – this is called entry-level knowledge – and by having Sweden-aware foreigners who have studied in Sweden that could become local labour in various countries. The link between globalisation and entrepreneurial education is made, not only from knowledge of other countries, but also from what it would cost the taxpayer to receive international students and educate them tuition-free and the notion that this could not be justified. Universities are urged to expand their globalisation activities and are evaluated by the National Board for Higher Education on how well they perform on this score (see e.g. Högskoleverket 2005d). Yet a new view of what globalisation should mean was introduced towards the end of the nineties decade, when the government set up commissions to find out how to attract more international students

to Sweden, and to investigate both tuition financing of higher education and how tuition fees could be fetched from non-EEA students. The government's intention, also explained in newspaper articles by the then Minister of Education, was clear: that non-EEA students would be charged fees anyway. The third term of reference also appeared to tentatively explore even Swedish students eventually being asked to pay.

As a consequence of this new view thinking on globalisation, the Ordinance of 1993 was revised with legislation to override the provision that higher education was free for everyone at Swedish universities, irrespective of geographic origin. Furthermore, a new paragraph was added to Article 1 of the Higher Education Act 1992, stipulating tuition-free education for persons from within the EEA but empowering the government or authorities to whom the government delegates such powers to determine how much fees should be paid by students from outside the EEA. These provisions are made primarily to allay the fears of those groups, e.g. university teachers and students, who fear that charging fees of non-EEA students would only be the harbinger of even Swedish students being asked to pay fees (see citation of Nybom preceding page).

This research reveals now, however, that neither the politicians nor the academic leaders show commitment to these fees. There is a slight majority totally rejecting the idea. Snickars and Pertoft (interviewees), for example, agree with the concept of global public good proposed by Stiglitz (1999) and argue for internationalisation of higher education for its own sake: "It is so that my position is that education is a common good. It means that I am in principle against direct fees. I am for the internationalisation of the Swedish system that sees higher education as a right. It is naturally so that the discussion about fees, which says that fees should be a way to expand the internationalisation, which was the point of departure for the earlier Swedish study about fees, is meaningless" (Snickars). Those that are open to fees condition it on there being scholarship funds that would make it possible for students from poorer countries and regions of the world to be able to study in Sweden without having to pay for it. For instance, Nilsson points out that his party had not suggested fees for anyone, "But then if it should be implemented there is nothing that says that we cannot as part of the aid policy but even principally ...welfare policy, cannot take a good number of students from poorer countries in Africa to study for free". Even Hjalmered, who supports fees for non-EEA students, "... think we should also have ...scholarships, some sort of scholarship system, meaning that we will give

possibilities to great students to be able to undertake the Masters studies in Sweden or participate in PhD studies, so we have both the fees and the scholarships”.

The universities even understand the enabling legislation to mean that the government has to issue another directive asking them to commence collecting fees. Myhrman, for instance, says: “Well, I don’t know where the state is going to land... if we are going to have it”. Many had not even discussed it and even the few that were positively disposed to it waited on the government to give the go-ahead. That directive has not come and is not expected. Members of the Parliamentary Committee on Education interviewed also understand it in that way: “The parliament has given the possibility but the government has not taken the decision yet. I do not believe it would be implemented in 2008” (Nilsson), if ever at all in the foreseeable future. The Ministry of Education confirms that “the government has not taken a position on if tuition fees should be introduced for persons from outside the EEA” (Wallqvist).

Rudiments of Sweden’s fabled solidarity concern for poorer nations of the world still remain. That is why one problem some political leaders, as well as vice-chancellors, have with the proposal is the category of people expected to pay the fees. On the face of it, all non-EEA foreign students would pay. However, students from, say, USA, Canada and Oceania could not in reality be the targets for tuition incomes. Firstly, the main reason that students move abroad to study is the lack of adequate facilities at home or the pursuit of better quality education. These countries do not have that need. Secondly, they are recognised “knowledge production centres” and established global traders in educational services. Thirdly, when students from these regions come to Europe to study, they most often come on exchange programmes, which obviate their paying tuition. So, in effect, that leaves students from poor countries, with poor educational facilities, in Africa, some parts of Asia and Latin America as the target markets. Even though the directive is that the fees collected by the universities should not exceed the equivalent cost of providing the education for the international students, without a mark-up for profit, not only would a fees system be siphoning money from poor countries to a much richer one, as in the cases of Britain and the USA, but also that the countries would have less of already calamitously scarce resources for the development of their educational infrastructure and to invest in teaching and research. A solution suggested by everyone is that there should be a scholarship scheme alongside the fees. But university leaders, Bremer and Noren, for example, think it would introduce cumbersome bureaucracy.

The suggestion also presents the universities with risk in other ways. One such, which Damberg identifies, is that “the experience we have seen of other European countries has not been that once they start to charge fees for higher education the universities and colleges automatically earned a lot more money to use afterward. It has often happened that the state had withdrawn its responsibility and reduced the support so that the colleges and universities have as much money as before, except that they get it through fees instead of tax money, and one has got the inequality problem instead”. The avoidance of this inequality is one crucial argument against the commodification higher education.

Two other issues, both connected, that impact entrepreneurialism at Swedish universities are commercialisation of research results and *lärarundantaget* – the teacher exemption. Universities already do commercialise the by-products of their basic functions – teaching and research. In terms of teaching, they are contracted to produce programmes and run courses for organisations – governmental or private, locally and abroad. In terms of research, they carry out joint research or they share discoveries with companies for conversion into products – by loaning out or selling the patent or arranging joint production. They may also commercialise the results of research by setting up their own holding company and giving it the right to produce (see Table 7). They do also act as consultants to governmental authorities or companies. At home, this is partly to contribute to regional development through exchange of ideas, knowledge and technology transfer; new jobs may be created when companies are built around the discoveries or new ideas. Abroad, it is partly in aid of Swedish global companies and also to earn money. Indeed, Hellström (2007) and questionnaire answers confirm that many universities have set up free-standing business units to take care of these matters. Inspired by the government, there is heightened activity with commercialisation. Yet the question may be put: how much of this commercialisation is the institution’s own, as opposed to those of individual researchers and research groups? Who actually earns money from the commercialisation, the institution or the individual researchers? And, therefore, who is the entrepreneur, the university or the researcher?

Since 1949 university-based researchers in Sweden have had the right to own the results of their research, even though the universities own the facilities and employ them. Myhrman and Palmer (interviewees) say that researchers make contributions to a pool for the maintenance (or acquisition) of facilities from their research grants, which

in principle comes under the control of the vice-chancellor. However, concerning convertible results, it is theirs. If we agree with Hellström (2007) that what most of the business units are doing is looking inward for ideas instead of forging outside links and negotiating commercialisation contracts, then a lot of opportunities are probably being bypassed. Most of the vice-chancellors (Bremer, Noren, Palmer) interviewed in this research are of the opinion that the teacher exemption limits the extent of conversion of research results. Amongst other things the universities have little incentive to wholeheartedly engage in the work that is essential to get research results into tangible products. “I think that it is limiting, because there is no incentive for the universities to provide support for the researchers or to see to it that the results are will exploited since the university gets nothing out of it” says Bremer. Even if we take onboard the objection of Nybom (also interviewed) that there is no research confirming this supposed limiting effect of the *lärarundantaget*, and agree that a lot of conversions into products do take place, it would be mainly on behalf of the individual researchers because they own the patents. Myhrman and Noren (interviewees) say that the universities make deals, case by case, with those researchers who seek the aid of the peripheral sections tasked with this assignment. These are deals that the university could hardly enter into from a position of strength, since the researcher can take his/her patent/finding directly to a company, which many older researchers have the experience of doing. Universities that try to trade with the products that legally belong to some individual, and for which negotiations have to be made each time, depending on the willingness of the researcher to co-operate, can hardly establish themselves as entrepreneurial organisations.

Readings (1995) is suspicious of the freedom given universities to act. In that he is not alone, for other writers, e.g., Marginson and Considine (2000), also challenge the talk of devolution within the university as deceptive, because those appointed by the executive vice-chancellor only extend the vice-chancellor’s executive power. Still others, e.g. Olssen *et al* (2004), assert that freedom to act amounts to nothing with the performance measurement checks and controls that are instead put in place (take for instance the Research Assessment Exercise and ranking of universities in Britain). But Readings’ concern is about the entrepreneurial culture that universities are pressured into. He means that while universities are given free reign to produce their curricula and explore any area of knowledge they desire, there is the proviso that any knowledge produced at the university “fit into the cycle of production, exchange, and

consumption. Produce what knowledge you like, only produce more of it so that the system can speculate on knowledge differentials and profit from the accumulation of intellectual capital” (page 204). In effect, the university should develop a permeating entrepreneurial culture, one which, as Liesner (2007) narrates, sees even its own lecturers and students as consumers of its wares and customer groups to entice with new investments. This pressure, subtly or coarsely applied, is what creates the situation that Tomusk (2004) narrates, where the universities come to believe that remaining non-entrepreneurial is a non-option. This research has found no permeating entrepreneurial culture at Swedish universities. It is conceded, as has been dealt with in this work, that there are entrepreneurial activities going on and the potential for this growing is indicated. However, this does not constitute a state of mind that continually seeks rent in all daily activities. We can cite Hellström (2007) arguing that even where universities have set up holding companies the relationship between the companies and the university is hardly clearly defined, except for the expectation that if profits accrue they would be ploughed back into the operations of the university. In questionnaire responses, universities express instead the state of mind that the educational process is “not an industry” and they “are not allowed to make money on education”. It would require fundamental changes in the view of education by individuals and the society in general, as well as changes in laws, for an entrepreneurial culture to begin to take root over a long time. Laws could be changed, e.g., to allow universities to understand that they could seek to make money, e.g. through acquiring and renting property, or even recruiting students, especially from outside a defined geopolitical zone, for the sake of the fees they would pay. So far “Swedish universities and colleges to a high extent have been focused on primary research, focused very much on the development of academic knowledge and less on engaging in working together with the society in general or to develop the possibilities of selling education or knowledge”. Furthermore, it appears to this researcher, when we consider the arguments against fees made by vice-chancellors and parliamentarians, e.g. Noren, Nilsson and Bremer, even in the case of foreign students, that it would be difficult to change people’s minds to see education as a tradable commodity. For example, the vice-chancellor Palmer says, “with the tradition that we have, we don’t see ourselves as part of that sector; it’s that simple, in the same way that we don’t see the health service. It is something... we are part of the infrastructure in the society. I see education and research as part of the infrastructure of the society, to develop the society”. Another vice-chancellor, Noren,

posits that universities that commodify education by recruiting foreign students “do it very much to earn a lot of money, with too little thought about the possibilities of raising the quality and internationalisation of the studies this should mean. I don’t like it”. And her counterpart, Bremer, who talks of the free education in Sweden as “an old philosophy”, adds also that “I think we have quite a lot to gain in being able to say that we don’t get paid. That is how I would like to have it”.

The parliamentarian Hjalmered explains this absence of an entrepreneurial state of mind at Swedish universities and why it is vital to keep education as a public good. Education gives opportunities to the citizenry to better themselves – education keeps the scourge of poverty at bay, it makes it possible for each generation of citizens to have a better life than the preceding one, which also means that it leads to the advancement of the society. If the acquisition of education were to depend on the financial ability of the individual or her parents, then it would be as another parliamentarian, Damberg, sees it, a waste of human resources. Were higher education to become a commodity in Sweden, the inequality the public system of provision has put at bay would plague the system, there would the waste of human resources that this could result in, and the benefits to the society collectively as a vehicle for advancement because each individual betters him/herself would be lost.

APPENDIX I: PLAIN LANGUAGE STATEMENT

Faculty of Education



UNIVERSITY
of
GLASGOW

Date: 30 May 2007

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INVITATION TO BE RESEARCH INTERVIEWEE

You are invited to participate as an interviewee in my research.

The Entrepreneurial University in the Welfare State of Sweden: Exploring the Possibilities is the title of my research. The interview seeks information that would enable me to answer the strategic question: Is the commodification of university education a possibility in socialist Sweden?

The interview will cover the following three broad areas: policy and governance, entrepreneurialism within higher education, and the globalisation of higher education. It is estimated that the interview will last 35 minutes. The interview can be conducted either in English or Swedish whichever is convenient for you. I would like you to give me a date on any of the following days: 30 – 31 August and 3 – 7 Sept.

Your involvement in the research will only be limited to your answering the interview questions. You have been selected because of your position within the political system of Sweden. Your name and contact were taken from your official public source. All other persons holding the same or similar positions within political parties in Sweden are being invited to participate in the same way.

If you accept to participate, let it be understood that you do so freely because you desire to do so. Even when you do agree to participate you may at any time withdraw your participation. Your agreeing to be interviewed will imply that you have understood this and consented.

All information you give at the interview will be handled confidentially. I will ask for personal details for the purpose of authenticity. However, if you wish your name not to be mentioned while using the information you supply, then care will be taken to honour that, and to ensure that data is presented in a way that you will not be recognised by any reader. Information supplied during the interview will be kept safely in my personal custody.

The report of the research will be seen in the first place only by the university and only for the purpose of academic activities. It will be published as a thesis, to which I will

have title and ownership. As is usually the case, the thesis, once accepted by the university, will become a document to which other people, e.g. researchers, may refer.

The research is being carried out to satisfy the requirement of a thesis for the degree of Doctor of Philosophy (PhD) in Educational Studies, of the University of Glasgow.

The contact of the faculty is:

Faculty of Education
University of Glasgow
St Andrew's Building
11 Eldon Street
GLASGOW G3 6NH

+44 (0)141 339 8855

Any further concerns about the conduct of the research may be cleared with:

Dr George Head
Faculty of Education Ethics Officer
Department of Educational Studies
University of Glasgow
St Andrew's Building
11 Eldon Street
Glasgow
G3 6NH

Prof Robert G. Matthew: Director of the Centre for Teaching, Learning and Assessment is my supervisor and can be reached on telephone: 0141 330 3197; email: R.Matthew@admin.gla.ac.uk

Thank you for your participation.

Sowaribi Tolofari



UNIVERSITY
of
GLASGOW

Faculty of Education

QUESTIONNAIRE

Name of institution:

.....

Name of person completing questionnaire (please include title)

.....

Position at institution (e.g. Vice-chancellor, Deputy Vice-chancellor, Registrar, Dean Faculty of Education, Head of Student Affairs Department)

.....

I do not want my name to be cited in any writing where the information I give is used
I do not mind being cited by name **(please cross one option)**

(This questionnaire is part of the work of gathering data towards a thesis in Educational Studies. It is strongly preferred that a person or persons who can give authoritative answers to the questions complete the questionnaire. It is most desirable that the completed questionnaire is returned to the researcher within 21 days.)

Tuition Fees

1. Given the choice, would the university charge tuition fees of foreign students?
Yes/ No
2. Would foreign students be expected to pay more?
Yes/ No
3. What is the view of the university on the SOU 2006:7 proposal to charge tuition fees of non-EU students?

4. How many students at this university fall into the proposed fee-paying category?
5. Would the university support the introduction of fees for home students?
Yes/ No

Accommodation

1. Does the university own and operate property it rents as student accommodation? Yes/ No
2. Does the university charge lower/higher than market price? Higher/ Lower
3. Does the university charge same as market price? Yes/ No

User-pays Student Services

1. Does the university charge its students for any of the following services?
 - Photocopying Yes / No
 - Printing Yes / No
 - Bookshop (a mark-up on prices) Yes / No
 - Yearly registration Yes / No
 - Participation in graduation ceremony Yes / No
 - Issuance of certificates or result transcripts Yes / No
 - Athletics/ gym Yes / No
 - Late return of library books Yes / No
 - Cafes/ restaurants (mark-up on prices) Yes / No
 - Student programmes Yes / No
 - Others Yes / No

Enterprise

1. Does the university actively seek, primarily for the purpose of the revenue?
 - Consultancies Yes/ No
 - Contracts (e.g. to carry out research) Yes/ No
 - Commercial production of research findings Yes/ No
2. Are there research projects engaged in primarily for the purpose of the funds? Yes/ No
3. How is outreach (business contact) organised?

Earned Income

1. Does the university commercialise its research findings through fully- or partially-owned companies? Yes/ No
2. Does the university rent out, sell or build spin-off companies with patented research results? Yes/ No
3. Does the university make any other types of investments for the sake of the financial rewards? Yes/ No
4. Does the university obtain endowments/ grants from private persons and companies? Yes/ No
5. How is non-state income distributed within the university (who owns it/ has control over it)?

Curriculum

1. Does the university, in designing its programmes, respond to:
 - The need to produce the kind of skills that the labour market requires at the moment? Yes/ No
 - The need to meet the interests of potential students? Yes/ No
 - The interests of academics within the university? Yes/ No
2. Has the university had to discontinue courses/ programmes due to economic non-viability? Yes/ No
3. If yes, in what fields have courses/ programmes been discontinued?

Interaction with larger society

1. How does the university justify its value to the larger society?

2. How does the university view itself in relation to other non-university research institutions Competition/ co-operation

Comment:

Governance

1. How would you describe the pattern of devolution of authority at your university? (Tick)
 - Hierarchical (a single line of authority)
 - Federal (collegial/democratic decision-making)
 - Triangular (the central authority can deal with both faculties and departments and vice-versa)

Internationalisation /Globalisation

1. How do you define 'internationalisation' in the context of higher education, from your university's standpoint?

2. How do you define 'globalisation' in the context of higher education, from your university's standpoint?

3. What are the regional backgrounds of your foreign students?

- Exchange students Number
 - EU
 - Europe
 - North America
 - Asia
 - Africa
 - Oceania
 - South America

- Direct admissions (only persons NOT ordinarily resident in Sweden) Number
 - EU
 - Other Europe
 - North America
 - Asia
 - Africa
 - Oceania
 - South America

4. What factors determine the choice of university/ country with which your university has exchange agreements outside the EU?

5. Does the university influence the following matters with regard to foreign students?

- Visa regulations Yes/ No
- Residence permits Yes/ No
- Employment Yes/ No
- Communally provided accommodation Yes/ No

6. Why would international students choose to come to this university to study?

Education as a Tradable Service

1. What is the view of the university on education as an export industry?

2. Given appropriate conditions, would the university engage in the commercial provision of educational services? Yes/ No
3. Does the university have the capacity to deliver education as a trading good? Yes/ No
4. What is the view of the university on GATS, the General Agreement on Trade in Services, which highlights educational services as trading goods? Positive /Negative
5. What would be the most likely option(s) for exporting HE services, and why? (Tick)
- Cross-border supply
 - Consumption abroad
 - Commercial presence
 - Presence of natural persons

THANK YOU!

Please return as e-mail attachment to s.tolofari.1@research.gla.ac.uk or by post to:
 Sowaribi Tolofari. Flat 1/1, 173 Killearn Street, Glasgow G22 5HY, Scotland.

Sowaribi Tolofari

APPENDIX III: INTERVIEW QUESTIONS

Faculty of Education



UNIVERSITY
of
GLASGOW

INTERVIEW QUESTIONS

Name of institution:

.....

Name of interviewee (please include title)

.....

Position at institution (e.g. Vice-chancellor, Dean of ... faculty, Head of ... department)

.....

Governance

1. Please explain how the central administration of the university is set up and supported to indicate the key influences in decision-making, and resource allocation?
2. Please explain the relationship between the university and the state, in terms of funding, supervision and monitoring.
3. How autonomous would you like your university to be?
4. Is there a drive for this autonomy and what are the internal factors that influence the university's drive for autonomy?
5. Do you envisage a time when the university would be so autonomous it would consider the state's contribution to its sustenance insignificant?

Enterprise

6. Swedish universities appear to have a weak interest in GATS, could you explain why?
7. If you were to decide to charge fees, what would drive it and who would you ask to pay?
8. At Swedish universities the individual researcher or research group controls the research grants and owns the results of the research. Does the university bear the cost of the facilities used for the research? And how does this affect commercialisation of research results?
9. The Högskoleverket has published a long list of services university students should pay for or not pay for
 - Do students pay full costs for those services they pay for, e.g. photocopying?
 - Which of those services the board has barred would you charge for, if the university were autonomous?

Globalisation

10. Please briefly illuminate your university's bilateral or other forms of contacts with universities from the following regions and explain the paucity of programme students from these regions: Africa, Asia, and Latin America.
11. Swedish vice-chancellors are all in favour of students from Africa, Asia, and Latin America paying tuition fees, but they are all against Europeans paying fees. Could you explain the thinking behind this?
12. Swedish universities contacts with Africa, Asia and Latin America appear to be focused on the big economies in these continents – the Republic of South Africa, China, India and Brazil. Is the globalisation of Swedish higher education focused on serving the interests of business instead of solidarity?

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APPENDIX IV: LIST OF INTERVIEWEES

Universities

Professor Kåre Bremer
Dr Ulla Myhrman
Professor Kerstin Norén
Professor Thorsten Nybom
Professor Folke Snickars

The Swedish Ministry of Education

Theresa Wallqvist

The Swedish Parliament

Mikael Damberg
Rossana Dinamarca
Lars Hjalmered
Ulf Nilsson
Mats Pertoft

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