



Open Review of Educational Research

ISSN: (Print) 2326-5507 (Online) Journal homepage: <http://www.tandfonline.com/loi/rrer20>

Academic Capitalism and Entrepreneurial Universities as a New Paradigm of 'Development'

Ourania Filippakou & Gareth Williams

To cite this article: Ourania Filippakou & Gareth Williams (2014) Academic Capitalism and Entrepreneurial Universities as a New Paradigm of 'Development', Open Review of Educational Research, 1:1, 70-83, DOI: [10.1080/23265507.2014.964645](https://doi.org/10.1080/23265507.2014.964645)

To link to this article: <http://dx.doi.org/10.1080/23265507.2014.964645>



© 2014 The Author(s). Published by Routledge.



Published online: 02 Dec 2014.



Submit your article to this journal [↗](#)



Article views: 645



View related articles [↗](#)



View Crossmark data [↗](#)

Full Terms & Conditions of access and use can be found at <http://www.tandfonline.com/action/journalInformation?journalCode=rrer20>

Academic Capitalism and Entrepreneurial Universities as a New Paradigm of ‘Development’

OURANIA FILIPPAKOU^a & GARETH WILLIAMS^b

^aCentre for Educational Studies, University of Hull; ^bCentre for Higher Educational Studies, Institute of Education, University of London

Abstract

The interest of higher education researchers in entrepreneurialism in European universities began in the late 1990s with the appearance of two path-breaking books: Sheila Slaughter and Larry Leslie on Academic Capitalism and Burton Clark on Creating Entrepreneurial Universities. Since that time ‘entrepreneurial’ has become a popular term to describe what many people, politicians in particular, believe is necessary for university survival, and indeed economic survival, as the new paradigm of development. Drawing mostly from a three-year comparative study undertaken as part of the European Framework social science research programme, this article explores whether this new paradigm of ‘development’ is a contingent result of the huge expansion of higher education in the previous quarter century or whether it is primarily the result of ideological changes which have led to the current global dominance of neo-liberalism. The view we have attempted to put forward is the latter. The article deploys ideas and research from governmentality theory to suggest some limitations of the use of empirical data in current higher education policy research and some ways of thinking differently about entrepreneurialism and Clark’s ‘pathways of transformation’ to the universities he studied. The article offers a short example of the useful work that social theory can do in relation to policy agendas like university entrepreneurialism which often lie unproblematized within higher policy and practice.

Keywords: universities, entrepreneurialism, higher education policy, social theory

Introduction

The interest of higher education researchers in entrepreneurialism in European universities began in the late 1990s with the appearance of two path-breaking books by Slaughter and Leslie (1997) and Clark (1998).

© 2014 The Author(s). Published by Routledge.

This is an Openaccess article distributed under the terms of the Creative Commons Attribution License (<http://creativecommons.org/licenses/by/3.0>), which permits unrestricted use, distribution, and reproduction in any medium, provided the original work is properly cited. The moral rights of the named author(s) have been asserted.

Clark's analysis can usefully be linked to his important earlier work (Clark, 1983), in which he proposed the well known, 'triangle of tension' or 'triangle of coordination' where higher education systems and institutions are seen as occupying a space bounded by academic values, state regulation and the market. At that time most European universities were seen as being located somewhere between the state regulation and academic values boundaries with the United Kingdom (UK) being much nearer the academic values pole and France nearer to state regulation. In the years following the publication of Clark's book, rapid expansion and changing ideologies about the most appropriate ways of providing public services led, in many countries, to a shift towards the market boundary, most dramatically in the former Soviet Union and its satellites, but also in the UK which had been suffering from several years of economic failure followed by the election of a strong right of centre government.

Entrepreneurialism was a natural corollary of marketization as some universities sought to broaden their range of activities and diversify their sources of income. They were encouraged by the huge ideological changes that were occurring in the wider world in which markets were coming to be seen as the most efficient, effective and even ethical way of organizing a very wide range of social and economic activities. Clark's 1998 book was an analysis of how five *prima facie* successful and innovative universities were responding to the new financial and ideological pressures. Since that time 'entrepreneurial' has become a popular term to describe what many people, politicians in particular, believe is necessary for university survival, and indeed economic survival, as the new paradigm of development in a rapidly changing world in which dramatic changes in information and communications technology are eroding national boundaries.

However, ideas that were developing in the wider study of social theory have been insufficiently incorporated into higher education policy research. Amongst other reflections on academic capitalism and entrepreneurialism this article engages with Foucault's theory of 'governmentality', and of neoliberalism as 'problematization' of the practice of liberal welfare government, in order to analyse 'entrepreneurialism' in universities. Foucault's theory of government (1977, 1991, 1997, 2003a) can help us to understand entrepreneurialism and university governance, and he offers us tools for analysing the relationships between the 'government of the state' and the 'government of the self'. More specifically, governmentality can be linked with the concept of the entrepreneurial self that 'responsibilizes' the self (Peters, 2001). This represents a new welfare regime, one that is based on the model of the individual-consumer who knows what is best for herself or himself. The subjectivity promoted through policies is characterized as the 'entrepreneur', wherein the individual establishes a relationship with the self through personal investments (Peters, 2001; Rose, 1996).

This article offers some reflections on the need for and uses of social theory in higher education policy research. It draws on both primary and secondary sources for examples. In our discussion we take examples mostly from a three-year comparative study undertaken as part of the European Framework social science research programme.¹ The main report on the study was reported in Shattock (2008). We also use examples from a number of secondary sources, mainly but not only Clark (1998) on entrepreneurial universities. The second section of the article deploys ideas and research from governmentality theory to suggest some limitations of the use of empirical data in current higher education

policy research and some ways of thinking differently about entrepreneurialism and Clark's 'pathways of transformation' to the universities he studied.

Some Examples of Entrepreneurialism as the New Paradigm of Higher Education in England

University entrepreneurialism appeared earlier, grew faster and to a greater extent in the UK than in other European countries. An indicator of this is the growth of 'third mission' or 'third stream' income. Table 1 shows figures for one leading 'entrepreneurial university' in the UK, Warwick. In England overall the percentage of income from sources other than the government core grant for teaching and research rose from 29% in 1970 to 65% in 2010 (Williams, 2012). There were very rapid changes in the early 1990s in many Eastern European countries following the collapse of the Soviet Union but these took the form mainly of the establishment of large numbers of private universities and of big rises in student tuition fees even in public universities rather than the growth of entrepreneurialism in the sense the word is usually used in the literature on entrepreneurial universities. In the literature (for example, Clark, 1998, 2004; Marginson & Considine, 2001; Shattock, 2009) university entrepreneurialism is linked to the expansion of what is coming to be known as the 'third mission', a catch-all phrase to indicate a wide range of income earning activities other than traditional degree award bearing courses, scholarship and scientific research. In some respects it is similar to the much longer tradition in the United States of the 'service function' of universities which appeared in the late nineteenth century with the creation of the land grant universities, one of whose tasks was to assist in the development of agricultural production in the newly formed states of the Mid-West. Third mission usually encompasses community service activities but is more often linked to income generation through the sale of services of various kinds and hence with entrepreneurialism especially when such activities are new and possibly risky.

Burton Clark identified two UK universities that he considered to have made 'a valiant effort in the 1980s and 1990s to become more enterprising, even aggressively entrepreneurial' (Clark, 1998, p. xiv), Warwick and Strathclyde. For Clark, entrepreneurial is almost synonymous with innovative. But, he claims, although 'innovative ... avoids the negative connotations that many academics attach to individual entrepreneurs as

Table 1: Warwick University: percentages of income from research grants and contracts (as a proportion of total university income; 1970–2008)

	1970	1975	1980	1985	1990	1995	2007	2008
TOTAL RESEARCH	10	9	10	13	18	15	17	18
All other income	21	22	20	27	39	47	30	29
Fees							27	29
Core government grants	69	69	70	60	43	38	26	24
TOTAL INCOME	100	100	100	100	100	100	100	100

Sources: 1970–1995, Clark (1998); 2007–2008, Warwick University Statement of Accounts 2009.

aggressive business-oriented people seeking to maximise profit' he decided to use the term entrepreneurial as the 'organizing conception' for his study 'because it points more powerfully to deliberate local effort, to actions that lead to change in organisational posture' (Clark, 1998, p. 4). He reported case studies of these two universities in 1998 (Clark, 1998) and again in 2004 (Clark, 2004).

In Warwick he found a university whose vice-chancellor and senior management team had, from its establishment in 1965, taken the strategic decision to diversify its income and increase its independence from government by collaborating with local industry. In the 1970s this met with opposition amongst some students and staff within the university, symbolized by the publication of a highly critical book edited by a distinguished social historian at Warwick (Thompson, 1970). However, the strategy was vindicated in 1981 when severe government cuts in expenditure on universities enabled Warwick to adopt a policy of 'save half, make half' of the 10% reduction in income that was imposed on it. In the event the university managed to save very little but its income generation policies were so successful that by 1984 its academic registrar was able to claim at a conference of European Rectors that its overall income was 12% higher in real terms over what it had been in 1980–1981 rather than 10% lower (Clark, 1998). This success continued throughout the 1980s and 1990s at least as shown when national and international university league tables began to appear at the beginning of the new century. Warwick was consistently in the UK top ten, amongst much longer established and larger universities.

Another recognized 'entrepreneurial' university was Nottingham. For nearly two decades Nottingham has received only about 30% of its income in the form of a core grant from the Higher Education Funding Council and the remaining 70% has been in the form of payments for services of various kinds: 30% in student fees, 20% from research and 20% from sale of other services, such as consultancy and the renting out of university accommodation. A new vice-chancellor in the late 1980s set Nottingham on a distinct entrepreneurial path. Its claim to be a leading entrepreneurial university depends to a considerable extent on a number of large-scale initiatives undertaken in the 1990s and early years of the present century. Two international ventures in particular stand out: the creation of new campuses in Malaysia and China, which replicate as nearly as possible the Nottingham University experience in these two countries. These have all the ingredients of mainstream entrepreneurialism.

They were not sudden initiatives. The establishment of a campus in China in 2004 was preceded by several years of regular collaboration, including some 60 department-to-department partnerships, mostly in research but also some in teaching.

However, another Nottingham venture illustrates the way in which entrepreneurial behaviour may also involve seizing opportunities that arise even when they are not initially part of a grand plan. The bioscience business incubator—Bio-City—consists of large commercial pharmaceutical facilities with long associations in Nottingham that unexpectedly became available. The University of Nottingham and Nottingham Trent University collaborated to use these facilities to create accommodation for small biotech businesses.

Nottingham also claims to have been early among UK universities in appreciating the considerable potential long-term income in a research university from the commercial exploitation of intellectual property. It created a £2 million fund to pump-prime a step-change in the commercialization of research. The University now has around 400

patents and patent applications. It also claims to be a leader in encouraging income and job creating ‘spin-out’ companies and in the encouragement of entrepreneurship among students and academics. It has 27 spin-out companies and until 2006 at least around five new companies were launched every year.

The London School of Hygiene and Tropical Medicine receives only 21% of its income from the Funding Council and needs to be very responsive to market opportunities for nearly 80% of the income. It claims that its entrepreneurialism is academic, not commercial, and the mind set of most (though not all) of its staff is not sympathetic to commercial exploitation, most clearly illustrated its decision in 2003 that:

the word ‘consultancy’ was dropped, (from its mission statement) and it was replaced by ‘teaching and research of high quality and how that transfers/impacts on practice and policy’ (which is the mission now). Consultancy is not pushed as a priority now; in fact the School thinks it is not a priority at all. (Shattock & Becker, 2007, p. 16)

In its human resources strategy the School is very similar to a commercial organization. It has been unusual amongst UK universities in restricting the granting of permanent posts to Professors and Senior Lecturers who have held appointments for at least five years. This means that it has a very high proportion of staff (60%) on fixed term appointments and if they cannot attract research grants, they do not get paid, though academic departments have financial reserves from which they can fund staff for short periods between contracts. This is very different from the situation in most other UK universities, though many are moving in this direction.

Reflections

Some commentators have interpreted the entrepreneurialization of UK higher education as a byproduct of wider economic policies aimed simply at bringing public expenditure under control, with, by implication, little ideological significance (e.g. Williams, 2004). That may well have been a valid interpretation of the first round of public expenditure cuts in subsidy to UK higher education institutions in the early 1980s which resulted in a vindication of Warwick’s longstanding entrepreneurial practices. However, it is now clear that what Clark describes as a ‘bureaucracy of change’ is very much more a result of explicit state policies.

According to Clark:

Lasting transformation ... does not depend on a one-time burst of collective effort occasioned by a dire environmental threat; it does not wait upon a fortuitous favourable convergence of old contending interests. Rather, whatever the initial stimulus, it depends on those collective responses that build new sets of structures and processes – accompanied by allied beliefs – that steadily express a determined institutional will. Formally and informally, a stabilizing entrepreneurial constitution is woven into the fabric of the university. That constitution is rationalized by a convincing entrepreneurial narrative that fits the setting. (Clark, 2004, pp. 5, 6)

It is the contention of this article that the new entrepreneurial narrative is less due to independent decisions by autonomous universities to change their mission and culture, than the result of radical changes in state attitudes in the UK and increasingly in other European countries towards what it expects from higher education.

Foucault introduced the concept of ‘responsibilization’ to denote reductions in the scope of government, and in particular the welfare state (Foucault, 1988, 2003b). Neoliberalism via responsibilization can shape individual thinking and behaviour while lowering the range of the state’s social obligations. For example, subjects become responsibilized by seeing social risks such as illness, or unemployment not as the responsibility of the state, but ‘lying in the domain for which the individual is responsible and transforming it into a problem of self-care’ (Lemke, 2001); (for instance, there is often a shift in the vocabulary, ‘unemployed’ individuals are now deemed to be ‘job seekers’).

The notion of ‘problematization’ refers to the emergence of ways to ‘rationalize’ or to ‘shape and present’ something as a problem and, thus, to install at the same time an intellectual arena to look for ways of offering solutions (Foucault, 1980; Rose, 1999). For example, within the context of the European Union, European universities are nowadays often ‘problematized’ as needing to be modernized:

The Commission proposes stronger action at European level to implement the necessary reforms to modernise European universities. As key actors in a knowledge economy and knowledge society, universities face many challenges and have to make the necessary reforms to fully participate in the global market place in the fields of teaching, research and innovation. These reforms, which seek to restructure universities, concern in particular mobility, recognition of qualifications, autonomy, skills, funding, excellence and partnership with business. (European Union, 2006)

Following the Lisbon Strategy, the same Act (European Union, 2006), suggests: ‘Incentives will be essential to establish the necessary structures in universities, develop entrepreneurial spirit and management, business and innovation skills’. This way of problematization presents the issue of ‘innovation’ and ‘modernization’ in a particular way. At the same time, it imposes the frame within which discussions on the issue are to be held in order to be considered meaningful. Other alternative ways of framing and discussing the development of higher education are being silenced and excluded. The problematization thus encourages a very particular discourse on modernization and innovation to emerge. Indeed, according to a Eurobarometer Survey (April 2009) among students in higher education, ‘a large majority (87%) [of students] agreed that it was important for higher education institutions to foster innovation and an *entrepreneurial mindset among students and staff*’ (European Union, 2009).

According to Clark (2004), ‘entrepreneurial’ is an embracing but pointed term for referencing the attitudes and procedures that most dependably lead to the modern self-reliant, self steering university. However, entrepreneurialism can also be seen as part of neoliberal ideologies along with ‘new managerialism’; it projects the ‘responsibilization’ of universities, and at the same time it entails the idea that institutions do not need to be micro managed but can be controlled ‘at a distance’ (Neave & van Vught, 1991) via indirect or cultural mechanisms (cf. Hoggett, 1996). Entrepreneurialism encompasses both

ideas of ‘performance’ and ‘accountability’ and an underlying logic of the capitalization of self, and more predominantly the entrepreneurial self that can enable individuals to take up challenges.

For Foucault, the understanding that Western societies professed to be based on principles of liberty, the rule of law and the legitimation of the state, is fundamental to the idea of governmentality. In this context, liberal modes of governing are distinguished by the ways in which they utilize the capacities of free acting subjects, and modes of government differ according to the value and definition accorded the concept of ‘freedom’ (cf. Dean, 2007). Hodgson (2001) suggests that Foucault’s concept of ‘governmentality’ incorporates ‘empowerment’ and ‘manipulation’. Governmentality recognizes that governments have to face up to their own limitations and work through the ‘conduct of conduct’ (Foucault, 1980, p. 119). Thus, control is exercised through the management of ‘freedom’, or self-regulation. These processes have been described by Rose (1999) as ‘governing the soul’. Similarly, in marketized higher education systems, universities may have more freedom or ‘empowerment’ but, in return, and in order to survive financially, they need to respond to the entrepreneurial agenda.

Governmentality is thus defined as the set of practices and strategies that individuals use to control or govern themselves and others. Government is transforming itself into ‘governmentality’, seen as ‘an ensemble formed by the institutions, procedures, analyses and reflections, the calculations and tactics that allow the exercise of this very specific albeit complex form of power’ (Foucault, 1991, p. 102). Governmentality thus is integral to finding an answer to the question of how power is exercised.

For Foucault, power is a mode of action which serves to act upon the actions of others, a mode of government which attempts to link subjects to their own subjection and the administrative systems of the state have been extended in ways that maximize control over the population by shaping the constitution of subjectivity. In this interpretation of power, modes of government work through the freedoms and capacities of the governed, or ‘technologies of agency’, competencies in which individuals ‘must show themselves capable of calculated action and choice, they must shape their lives according to a moral code of individual responsibility and community obligation’ (Hodgson, 2001, p. 347). These ‘technologies of the self’ allow for the connection to be made between government activity and individual identity. As Rose states:

This involves a double movement of atomisation and responsabilisation. Organisations, actors and others that were once enmeshed in the complex and bureaucratic lines of force in the social state are to be set free to find their own destiny. Yet, at the same time, they are to be made responsible for their destiny, and for that of society as a whole, in new ways. (Rose, 1999, p. 456)

In this understanding, governments are attempting to address the problem of how to govern subjects who engage in choice, via what Rose (1999, p. 478) calls ‘etho-politics’. This acts upon the conduct of agents by shaping values, beliefs and moralities.

‘Empowerment’ is here equivalent of ‘the conduct of conduct’, a process of self-awareness revealed via engagement, encouraging the ‘excluded’ to enlist themselves in meeting their own needs, thus ‘instrumentalising the self-governing

properties of the subjects of government themselves in a whole new variety of locales and localities'. (Rose, 1996, p. 353)

In this context, government becomes possible when policing and administration stops, when the relations between government and self-government coincide.

Foucault's approach makes central the notion of the 'self-limiting state' (Peters, 2001), which, in contrast to the administrative or 'police' state, brings together questions of ethics and technique through the responsabilization of moral agents and the reconstruction of the relation between government and self-government. It theorizes neoliberalism in terms of its emphasis on 'artificially arranged or contrived forms of the free, *entrepreneurial*, and *competitive* conduct of economic-rational individuals' (Burchell, 1996, p. 23). Further, it understands neoliberalism in the realm of welfare, where new principles manifest themselves discursively in the language of audit, performance, entrepreneurialism and risk management (Dean, 1999; Peters, 2001). This approach, therefore, provides a useful set of insights into the nature of government as a set of practices, the development of the social economy and the role of higher education policy within it.

Responsibilization thus provides a useful interpretation of the move towards entrepreneurialism in higher education. Governmental approaches to universities are now consistent with neoliberal ideologies which stress responsibilities along with rights as key welfare principles. The key elements of entrepreneurialism grow out of the shift from the Keynesian welfare state and compulsory social insurance to neoliberalism (cf. Harvey, 2005). This new regime of re/deregulation allows the government to step back more and more from actual involvement in state activities, which now devolve to agencies, institutions, or regions (Dean, 1999) but still to steer them. These require the individual behaviour of academics to be re-shaped, and the relationship with the state to be re-thought. Increasingly they are being applied to universities as organizations. This involves use of what Newman (2001) has called 'psychological contracts' between the centre and localities, and more use of self-regulation via the internalization of codes of behaviour; a shift in emphasis which represents a move from governance to governmentality.

Implications

Over the last 15 years the 'entrepreneurial' project for universities has been promoted systematically by the European Union and European states in general. However, this project can be used to locate the higher education agenda within broader changes to the welfare state. The European Union is attempting to create a European higher education system, which stresses freedom and responsibilities for institutions while the state retains overall control. Key elements here are the duty to become involved and to take up opportunities. As a part of that system, universities are responsible for implementing this agenda and for including themselves within it. The increasing move towards 'modernization' and 'autonomy' of universities as managed organizations can be seen in this light.

As is well known Clark identified five 'pathways of transformation' to entrepreneurialism in the universities he studied.

1. A strengthened steering core.
2. An expanded developmental periphery.

3. A diversified funding base.
4. A stimulated academic heartland.
5. An integrated entrepreneurial culture.

Speed of response to opportunities that occur within an agreed strategic framework are key to effective university entrepreneurialism. Collegial forms of decision-making, often overlain with bureaucratic administrative arrangements, meant that European universities were slow to react to changing circumstances and often casual in their use of resources. In many ways this was a virtue. Institutional autonomy, backed up by collegial management and lifetime tenure for staff enabled universities to pursue and disseminate knowledge, uninfluenced by changing short-term fashions, and without fear of the consequences of discovering something or expressing an opinion that was not politically popular. But it did mean that what universities did was not always seen to be in their own collective interest or that of the wider society.

When higher education expanded rapidly and governments became unable or unwilling to allow their income from public funds to keep up with the pace of expansion more focussed institutional decision-making was seen as an advantage. For Clark the 'strengthened steering core' means a process of decision making that is able to take and implement strategic decisions taken by the university as a whole. In practice in his case studies this meant a small 'cabinet' consisting of senior academics, administrators and, often, members of the governing council who met regularly, usually once a week to take strategic decisions and monitor key indicators of the university's progress. In the EUERЕК institutions (European Universities for Entrepreneurship—their Role in the Europe of Knowledge) both Nottingham and the London School of Hygiene and Tropical Medicine had active senior management groups conforming to Clark's specifications.

Admittedly, at the London School of Hygiene and Tropical Medicine the group is less proactive than at Warwick, and Nottingham. The School depends more on the initiatives of individual researchers with a global reach and the steering group's main task is to retain some coherence in the activities undertaken and to ensure that they are financially and academically worthwhile within the School's overall mission. In the words of the head of the Research Grants and Contracts Office: 'A high proportion of the School's research grant income is actually acquired by people who are not tenured staff, and therefore those people are entirely supported out of the research grant that they can get. If they cannot attract research grants, they do not get paid. That is very different from a traditional university' (Shattock & Becker, 2007, p. 12). Another way of saying the same thing is that unless the staff on fixed term contracts are willing to carry out the kind of research required by those who control financial resources they will have no job.

An *expanded developmental periphery* means that the university is willing to undertake 'third stream' work that is not directly part of its core mission if it is financially worthwhile. This is the aspect of entrepreneurialism that puts the greatest pressure on traditional university values. Clark cites the example of 'the huge Warwick Manufacturing Group (which) clearly exists as an independent entity: it even goes "off-scale" in much of its salary and career structure in order to attract unusual talent in competition with the lures of industry' (Clark, 1998, p. 27). In Strathclyde University 'the second major component of (its) new developmental periphery consisted of a growing number of

interdisciplinary research centres so outward-oriented that they even accepted a market-pull component to their research planning' (Clark, 1998, p. 73).

In the EUERЕК study Nottingham University Consultants Limited was set up in the 1990s to encourage staff consultancy work. The purpose was in particular to broker consultancy opportunities for younger staff and in younger staff or staff not particularly used to consultancy. Nottingham owned, or was a partner in, 27 spin-out companies in 2005. The developmental periphery was not so easy to distinguish from the core mission at the London School of Hygiene and Tropical Medicine. This was partly because of its leading role in its area of expertise. In the words of its Business Development Officer:

In terms of making money from companies, the School is not entrepreneurial. ... the academics are not very entrepreneurial, which comes back to the whole ethos of the School. In that sense, the School is not following the trend of the time, and I think it is doing that in a good way. There is very much a sense that we should help the health in the worldwide community without financial gain. And I suspect that, if it was not for that, we would not have the quality of academics that we have here now. (Shattock & Becker, 2007, p. 13)

This suggests that a strong developmental periphery in the sense of doing a lot of work that is outside its central mission is not always essential in a successful university if its mainstream research is widely recognized as being important enough by those who control resources. However, this may be partly a matter of definition. As has been stated earlier the word consultancy was dropped in 2003 and replaced by 'teaching and research of high quality and how that transfers/impacts on practice and policy'.

The *diversified funding base* was evident in both Clark's case studies and in the EUERЕК institutions. The Clark studies show that the diversification of income occurred largely as a result of the savage cuts in public funding in the early 1980s. Some kind of plateau seems to have been reached in the first decade of the new century and there was little change in the proportions of income from each of the sources for at least a decade. Since 2010 universities have been experiencing severe reductions in public funding as the government tries to reduce the public debt incurred as a result of the Keynesian efforts to use public expenditure to alleviate the effects of the global depression of 2008/2009. Universities are under strong pressure to generate income from whatever sources they can. It remains to be seen whether universities will be able to mitigate the effects of substantial reductions in income from government by further increases in income from non-government sources. Income from student fees now covers most of the teaching costs of most subjects except Science and Technology in most universities and the recruitment of students is itself becoming an entrepreneurial activity. But the rest of the private sector seems unlikely to become a much more generous source of supplementary cash. It too is suffering from the harsh economic conditions. As in other entrepreneurial sectors of the economy it is likely that the successful will become richer while many will become poorer and some will go to the wall (see Piketty, 2014).

The *stimulated academic heartland* is more difficult to identify. Is academic excellence enhanced or inhibited by entrepreneurial success. It is clearly central to any government strategy to stimulate entrepreneurial activity in universities. If universities can become

entrepreneurial while at the same time improving their traditional academic work it is clearly a win–win situation. Certainly Warwick was successful in enhancing its academic reputation. It has consistently been in the UK top ten of national and international league tables based largely on academic performance. In the 2008 Research Assessment Exercise (RAE) the London School of Hygiene and Tropical Medicine was at number three according to the index prepared by *Times Higher Education*. Nottingham did less well, being at number 24 in 2008, but if its number of researchers is taken into account it came ninth in terms of ‘research power’. Strathclyde was at number 30 in terms of the ‘research power’ index. But here again ‘governmentality’ is becoming more prominent. In the Research Excellence Framework’ (REF)—which has replaced the RAE in 2013—the ‘impact’ of research on the economy and society in addition to its academic excellence plays a prominent role.

The *integrated entrepreneurial culture* is even more difficult to assess. What it seems to mean is that most of the staff of the institution accept the need for new ventures and innovative methods of working based at least in part on the need to generate income collaborate with economic activities outside the university. In his 2004 follow up to his 1998 studies Clark wrote that ‘Lasting transformation ... does not depend on a one-time burst of collective effort occasioned by a dire environmental threat; it does not wait upon a fortuitous favourable convergence of old contending interests. Rather, whatever the initial stimulus, it depends on those collective responses that build new sets of structures and processes – accompanied by allied beliefs – that steadily express a determined institutional will. Formally and informally, a stabilizing entrepreneurial constitution is woven into the fabric of the university’ (p. 5).

In the EUEREK study a senior lecturer at Nottingham reported that ‘Nottingham is now more focused on expansion and on getting money in, but I guess that has come from the fact that things changed in the last ten years. ... Certainly six to eight years ago I was conscious of a lot of colleagues thinking that, what this University is doing, that it is driven more and more by money and less and less by what universities traditionally did. But now we have probably gone through that and everybody is quite used to the way that universities have to operate’ (Williams & Becker, 2007, p. 11). The London School of Hygiene and Tropical Medicine offers a slightly different take on the issue. According to its Business Development Officer: ‘For most academics here, entrepreneurialism is seen as “hard capitalism” and they tend to shy away from that. On the other hand, you see many people trying to get funding for projects in the developing world, and they tend to be very good at it. They tend to be very active and to tap into a wide range of sources, from governments to NGOs [non-governmental organizations]’ (Shattock & Becker, 2007, p. 13).

EUEREK added further criteria to Clark’s list of conditions for entrepreneurialism. The EUEREK case studies suggest that institutional entrepreneurial activities are encouraged when: core income from government is tight but not inadequate for some new initiatives; when governments promote and support third mission activities; when a significant part of any income earned from new initiatives goes directly or indirectly to the groups and individuals that have the ideas, take the risks and do the work; when a commercial culture is acceptable to a significant number of the academic staff; when unofficial individual private entrepreneurial or freelance ventures are regulated; and when the university is

active in subject areas where continued professional development and research findings are commercially or socially valuable. Conversely entrepreneurial activity may be discouraged if core income from government is generous; if core income is inadequate for investment and risk taking; if financial regulations are too burdensome or if the traditional academic culture that became dominant in much of the twentieth century remains in place.

Conclusion

It seems to us that the emergence of entrepreneurial universities offers a clear example of Rose's atomization and responsabilization in order to achieve political objectives. In some ways our account is not different from what others have claimed, for example in Power's (1997) *The Audit Society* or Neave and van Vught's 'steering from a distance'. However, the key issue is whether the changes are contingent results of the huge expansion of higher education in the previous quarter century or whether they are primarily the result of ideological changes which have led to the current global dominance of neoliberalism. The latter explanation is a more convincing interpretation of the developments of the last two decades.

We have also sought to make a case for the incorporation of social theory into higher education policy research, its crucial role in decision-making and in providing a method for reflexivity that is, for understanding the social conditions of the production, dissemination and utilization of knowledge. The article also offered a short example of the useful work that theory can do in relation to policy agendas like university entrepreneurialism which often lie unproblematized within higher policy and practice. We suggested the usefulness of theory, as a reflexive tool within research practice, its role in challenging political orthodoxies and reductive simplicity—that is the role of theory in retaining some sense of the intricacy of the social.

Note

1. Project reference: 506051.

References

- Burchell, G. (1996). Liberal government and techniques of the self. In A. Barry, T. Osborne & N. Rose (Eds.), *Foucault and political reason*. London: UCL Press.
- Clark, B. (1983). *The higher education system: Academic organization in cross-national perspective*. Berkeley: University of California Press.
- Clark, B. (1998). *Creating entrepreneurial universities: Organisational pathways of transformation*. Oxford: Pergamon Press.
- Clark, B. (2004). *Sustaining change in universities: Continuities in case studies and concepts*. Maidenhead: Open University Press.
- Dean, M. (1999). *Governmentality: Power and rule in modern society*. London: Sage.
- Dean, M. (2007). *Governing societies: Political perspectives on domestic and international rule*. Maidenhead: Open University Press.
- European Union. (2009). The Bologna Process – reforming universities in the next decade. Brussels: European Union. Retrieved from <http://europa.eu/rapid/pressReleasesAction.do?reference=IP/09/615&format=HTML&aged=0&language=EN&guiLanguage=en>

- European Union. (2006). Summaries of EU legislation: Modernising universities, Communication of 10 May 2006 from the Commission to the Council and the European Parliament—Delivering on the modernisation agenda for universities: education, research and innovation [COM (2006) 208 final—not published in the Official Journal]. Brussels: European Union. Retrieved from http://europa.eu/legislation_summaries/education_training_youth/lifelong_learning/c11089_en.htm
- Foucault, M. (1977). *Discipline and punish*. Harmondsworth: Penguin.
- Foucault, M. (1980). *Power/knowledge*. Brighton: Harvester.
- Foucault, M. (1988). The ethic of care for the self as a practice of freedom. In J. Bernauer & D. Rasmussen (Eds.), *The final Foucault*. Boston, MA: MIT Press.
- Foucault, M. (1991). Governmentality. In G. Burchell, C. Gordon & P. Miller (Eds.), *The Foucault effect: Studies in governmentality*. Hemel Hempstead: Harvester Wheatsheaf.
- Foucault, M. (1997). Security, territory, and population. In P. Rabinow (Ed.), *Ethics: Subjectivity and truth*. New York, NY: The New Press.
- Foucault, M. (2003a). Governmentality. In P. Rabinow & N. Rose (Eds.), *The essential Foucault: Selections from the essential works of Foucault 1954–1984*. New York, NY: The New Press.
- Foucault, M. (2003b). *Society must be defended: Lectures at the Collège de France 1975–1976*. New York, NY: Picador.
- Harvey, D. (2005). *A brief history of neoliberalism*. Oxford: Oxford University Press.
- Hodgson, D. (2001). Empowering customers through education or governing without government? In A. Sturdy, I. Grugulis, & H. Willmott (Eds.), *Customer service empowerment and entrapment*. Oxford: Palgrave.
- Hoggett, P. (1996). New modes of control in the public service. *Public Administration*, 74, 9–32.
- Lambert, V. (2009, August 1). Bug central: Inside the London School of Hygiene and Tropical Medicine. *Daily Telegraph Magazine*.
- Lemke, T. (2001). The birth of biopolitics: Michel Foucault's lecture at the Collège de France. *Economy and Society*, 30(2), 190–209.
- Marginson, S., & Considine, M. (2001). *The enterprise university: Power, governance and reinvention in Australia*. Cambridge: Cambridge University Press.
- Neave, G., & van Vught, F. (1991). *Prometheus bound: The changing relationship between government and higher education in Western Europe*. Oxford: Pergamon Press.
- Newman, J. (2001). *Modernising governance: New Labour, policy and society*. London: Sage.
- Peters, M. A. (2001). *Poststructuralism, Marxism and neoliberalism: Between theory and politics*. Lanham, MD: Rowman & Littlefield.
- Piketty, T. (2014). *Capital in the twenty-first century*. Cambridge MA: Belknap Press of Harvard University Press.
- Power, M. (1997). *The audit society: Rituals of verification*. Oxford: Oxford University Press.
- Rose, N. (1996). Governing 'advanced' liberal democracies. In A. Barry, T. Osborne, & N. Rose (Eds.), *Foucault and political reason: Liberalism, neo-liberalism and rationalities of government*. London: UCL Press.
- Rose, N. (1999). *Powers of freedom*. Cambridge: Cambridge University Press.
- Shattock, M. (Ed.) (2009). *Entrepreneurialism in universities and the knowledge economy*. Maidenhead: SRHE-McGraw-Hill.
- Shattock, M., & Becker, R. (2007). London School of Hygiene and Tropical Medicine. Retrieved from http://www.eureka.info/Public_Documents/University
- Slaughter, S., & Leslie, L. (1997). *Academic capitalism: Politics and the entrepreneurial university*. Baltimore, MD: Johns Hopkins University Press.
- Thompson, E. P. (1970). *Warwick University Limited: Industry, management and the universities*. Harmondsworth: Penguin Books.
- Williams, G. (2004). The higher education market in the United Kingdom. In P. Teixeira, B. Joengbloed, D. Dill, & A. Amaral (Eds), *Markets in higher education: Rhetoric or reality*. Dordrecht: Kluwer Academic.

Williams, G. (2012). Fifty interesting years: Higher education funding and financial management 1961–2011. *Perspectives: Policy and Practice in Higher Education*, 16(2), 51–55.

Williams, G., & Becker, R. (2007). University of Nottingham. Retrieved from http://www.eureka.info/Public_Documents/University

Notes on Contributors

Ourania Filippakou is a Senior Lecturer in Education at the University of Hull. She is a Co-Director of the Postgraduate Taught Programmes in the Faculty of Education, and also leads the specialist route on ‘Higher Education’ in the Professional Doctorate EdD. She did her first degree in Education at the Aegean University and, then, obtained a scholarship from the Athens Academy to do her postgraduate studies at the Institute of Education. Her PhD thesis was entitled the ‘Legitimation of Quality in Higher Education’ and looked at the quality assurance regimes in England and Greece within the wider context of the European Union and the Bologna Process. Her main areas of interest are in higher education policy analysis and social theory, and she has edited (with Gareth Williams) *Higher Education as a Public Good: Critical Perspectives on Theory, Policy and Practice* (Bern: Peter Lang, 2014). Email: o.filippakou@hull.ac.uk

Gareth Williams is Emeritus Professor at London University Institute of Education. He founded and directed its Centre for Higher Education Studies from 1985 to 2001. An economist by training he has worked mainly on higher education policy and finance since publication of *Changing Patterns of Finance in Higher Education*, 1992. He is a past chairman of the Society for Research in Higher Education and was director of its Leverhulme project on the future of higher education in the early 1980s, which anticipated the direction of many of the changes of the 1980s and 1990s. Recent publications include ‘Some wicked questions from the dismal science’ in *Universities in the Knowledge Economy* (Paul Temple (Ed.), London: Routledge, 2012); ‘A bridge too far: An economic critique of marketization of higher education’ in *Browne and Beyond: Modernizing English Higher Education* (Claire Callender & Peter Scott (Eds.), London: IoE Press, 2013). Email: g.williams@ioe.ac.uk