

## Neoliberalism, human capital and the skills agenda in higher education – the Irish case.

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### Abstract

*The making of human capital is increasingly seen as a principal function of higher education. A keyword in neoliberal ideology, human capital represents a subtle masking of social conflict and expresses metaphorically the commodification of human abilities and an alienating notion of human potential, both of which sit ill with the goals of education. The recent National Strategy for Higher Education to 2030 (the Hunt Report) which appeared in Ireland in January 2010, is a representative example of official articulation, on the part of government and corporations, of the human capital/skills agenda in post-crash Ireland. Human capital, now commonplace across official discourse in Ireland, is a complex ideological construct which, in the educational arena, gives voice to two specific interests of capital: the provision of a workforce ever more narrowly suited to the current needs of employers and the intensification of competition between individuals in the labour market. The construct subtly reinvents socio-economic processes as acts driven solely by individuals and reconstitutes higher education as an adjunct of the economy. However, this paper argues, a skills-driven higher education can neither deliver large numbers of high value jobs nor overcome the deeper causes of the present crisis. This raising of false expectations, alongside a crudely reductionist view of education, sets limits on the unchallenged hegemony of this particular strand of neoliberal ideology. In the current recession, during which the state is attempting to shift the burden of educational funding from public to corporate and individual contributions, those involved in higher education need to provide a robust political economy critique of human capital ideology in order to strengthen practical resistance to it.*

Federal Reserve Chairman Ben Bernanke, after getting agreement for injecting capital into the banks, October 2008 ‘They will lend the money out, won't they?’<sup>1</sup>

Irish Minister for Finance Brian Lenihan, October 2008, ‘The guarantee for Irish banks will be the cheapest bailout in the world so far’<sup>2</sup>.

Colin Hunt Chairman, National Strategy for Higher Education, Ireland, January 2011, ‘Higher education is central to future economic development in Ireland, and the need for lifelong learning and upskilling among the workforce will also contribute to growth’<sup>3</sup>.

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<sup>1</sup> As reported in the HBO US television documentary-drama ‘Too big to Fail’ (2011).

<sup>2</sup> Irish Times Friday October 24<sup>th</sup>, 2008.

<sup>3</sup> Introduction to The Hunt Report (DES 2011:3)

The deeper the crisis the stronger the tendency, among apologists of the system, towards self-delusion. Belief in the market overrides everything else even, as the above statements show, when the logic of events points in the opposite direction. This state of denial – a characteristic feature of dominant ideologies – may be indispensable in the effort to restore hegemony, but it also runs the risk of leaving the ideology exposed, particularly when its own dictates seem to compound the crisis rather than resolve it. The same strident self-delusion can be seen in education: neoliberal assumptions about the role of education in the economy not only offer no plausible solutions, either social or educational, to the present crisis but also involve a deeply demeaning view of the role of education in society.

Unveiling ideology in matters of education has a special importance. Education systems play a unique economic and ideological role for capitalism: they prepare people for work; they prioritise what should be taught; and, at any given historical moment, they decide how education can best meet the needs of capital (Belamy Foster 2011; Bowles and Gintis 1976). They also have a socialising function and aim to make dominant ideas the accepted currency amongst the young. However, in times of capitalist crisis, education can often become a political and ideological battleground, as Athens, London, Madison and Santiago, in varying degrees, have recently shown (Swain 2011; Lipman 2011). With the protraction of the crisis, and austerity programmes and cutbacks becoming harsher, education can be expected to occupy the frontline of opposition to neoliberalism.

This paper argues that, in the case of Ireland, the government has targeted higher education to fulfil what it perceives as the new requirements of capital and to drive through, in the uncertainties of recession, the consolidation of neoliberal policies. Official government policy on Higher Education in Ireland, as presented in the Hunt Report, clearly lays out these objectives, and makes the assumption, widely repeated elsewhere in Irish society, that the provision of highly skilled graduates will be the route to economic recovery. Underpinning this thesis is the notion that the function of higher education is to produce ‘human capital’ for the ‘smart’ economy. Human capital, this paper argues, is a fundamentally false representation of both labour and capital in that it effaces of both social class and the actual mechanisms of the labour market in capitalism; it constitutes an ideological device which reifies the role of the individual in order to obscure class conflict. The paper will also argue that while the economic recession continues and while the skills-to-growth model fails to materialise, the contradictions of neoliberal ideology in education will become more exposed, with the potential to give rise to greater political disillusion.

### **The Hunt Report**

In January 2011, the report outlining a national strategy of Irish Higher Education, written by a Strategy Group headed by Irish economist, Dr Colin Hunt, was launched by the then Fianna Fáil Government<sup>4</sup>. The introduction to the report written by the

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<sup>4</sup> The present Fine Gael and Labour government has continued to support the main thrust of the Hunt Report.

Minister for Education and Skills at the time, Mary Coughlan, stressed the importance of higher education for the economy (in the now familiar jargon of such statements): ‘Our higher education institutions form a nexus of interaction and engagement between a complex range of interests on a local, regional, national and global basis, and play a central role in the creation of an innovation island’ (DES 2011: 2). Although it proposes a strategy which runs to 2030, the report, rather surprisingly, has little to say about the economic backdrop and the effects of the recession on increased numbers of students graduating from Irish higher education. The brief reference that it makes to the present economic depression is in terms of ‘social and economic and cultural challenges’ (DES 2011: 4), to which, we are told, Irish education needs to adapt by providing students with the required skills. What is striking about the report is that it continues to propound the government’s pre-crash policy, undeterred, it seems, by the dramatic economic events unfolding around it. It is based on two previous reports, *Tomorrow’s Skills: towards a National Skills Strategy* (Forfás 2009) and *Powering the Smart Economy* (SFI 2009), both of which appeared just as the extent of the banking crisis was becoming known, but whose main contents had been prepared before it. Thus, despite the intervening crash, the Hunt Report continues to make the boom-time arguments that more graduates are needed to fill skills shortages in the market, that high-skilled jobs will bring benefits to the wider economy, and that higher quality, better paid jobs will bring improvements to living standards. Higher education, the report argues, should drive this agenda and provide the ‘workplace competencies over the coming decades’ (DES 2011: 40). Unemployment and emigration amongst graduates are barely mentioned: instead, the report makes the rash claim that ‘innovation’, ‘entrepreneurial imagination’ and up-skilling will be the triggers to economic recovery at an unspecified point in the future.

The report’s view of the content of higher education can be summed up in one word – skills. In a section entitled ‘the up-skilling challenge’, it says that ‘the knowledge economy needs people who can renew and refresh their skills and competencies over the course of their lives’ and that the provision of a highly skilled labour force ‘will provide the competitive edge of the Irish economy by attracting foreign investment’(DES 2011: 47). Higher Education, Universities and Institutes of Technology should be primarily for the learning, development and application of what are called *key generic skills*, identified in a previous government report, rather indeterminately, as ‘basic skills’, ‘people-related’ skills and ‘conceptual’ skills (Forfás 2009). This is the skills-set heralded as meeting skills shortages in the smart economy. In addition, ‘the people who enter higher education in the coming decades are the job creators, policy-makers, social innovators and business leaders of the future...and the productive engine of a vibrant and prosperous economy (DES 2011: 53). This link between skills and the economy is summed up by the notion of human capital, an emblematic term of this mindset. As the report puts it, ‘building the innovation or ‘ideas’ component of the economy through the utilisation of human capital – the knowledge, skills and creativity of people – and the ability and effectiveness of that human capital’ can ‘translate ideas into valuable processes, products and services.’ (DES 2011: 68).

The 300 page report makes some mention of civic engagement, of leadership in the community, of research and scholarship, with ‘quality of student experience’ and ‘external engagement’ (DES 2011: 10-11). But the overriding view of higher

education is that it is an adjunct of the economy. The value of an appropriate skills-set for prospective employment, along with the aims of education, are both described in quantifiable terms – GDP rates, workplace productivity, national economic competitiveness and, for an individual, their ability to influence his or her earning potential, described as ‘benefits from increased wages’ (DES 2011: 35). Research, mainly referred to via the marketing concept of ‘R&D’, is occasionally linked with ‘scholarship’ but is chiefly seen in terms of its possible economic returns - its ability to create new business opportunities and its commercial value as ‘intellectual property’ (DES 2011: 72). In this, Irish higher education is following the model adopted across European universities - until very recently, proud bastions of classical humanism - that ‘knowledge is produced and then traded’ (Keeling 2006: 209).

Aligning higher education to the perceived needs of the economy involves creating supposedly employment-ready graduates whose skills and learning outcomes are able to be assessed in a way that an employer can easily understand. This partly explains the repeated reference in the report to *learning outcomes*, the narrow lens through which higher education is to become scrutinised. Learning outcomes are understood as measurable behaviour, something that a student, at the end of a module or degree, can ‘do’. Taking vocational education to new heights, learning outcomes also constitute, very conveniently, a kind of employability check-list, conceived from the point of view of the potential employer. The subject of the degree is not of importance. Indeed, Literature and History will now have to be rated according to how much they can be said to encompass skills that can be ‘transferred’ into practical, employment settings. In the context of the EU, this focus represents a conscious strategy for higher education to create employment-ready, corporate-friendly graduates. Under the umbrella of education reform and the exigencies of Europe-wide Bologna process, higher education is to be tapered ever more finely to the perceived needs of the labour market. The skills/learning-outcomes model has thus become a uniform point of reference for a cluster of other management driven concepts which have contributed, in the neoliberal era, to the transformation of the landscape of higher education.

The training-for-the-job approach requires the university to prioritise what is termed in the Hunt Report as ‘a deepening of the quality and intensity of its relationship with enterprise’ (DES 2011: 49). Hunt’s conception of higher education rests on the view that an institution of education, like a privately-owned company, should be market-driven and judged according to its performance as a service provider to customers. Management-speak is its style (*innovation, enterprise, leveraging high value education, key performance indicators, commercialisation, world class-class capability*) and corporate management its methods. As in earlier Irish higher education reports (OECD 2004; Skilbeck 2001) ‘robust’ management and corporate structures’ are taken as the only route to an eerily absolute ‘world class’ education. Two further neoliberal terms become the new fundamentals: firstly, ‘governance’, which subordinates academic decisions and democracy to management structures and efficiency, and secondly, ‘student experience’ now seen as a customer satisfaction rating in the commercial transaction of education. Discussion of educational philosophy or of knowledge is absent from the report. This omission alongside extreme economic functionalism conjures up the spectre of universities as, in the word of one critic, ‘factory farms for the mind’ (Coulter 2011).

But universities must not only produce suitable graduates for the economy, but must also become profit-making economic entities. University websites have been quick to adopt the corporate image, announcing loud and clear that universities are ‘universities of enterprise’, that their ‘mission’ is to create ‘knowledge transfer’ to the economy and to foster commercialisation. Hunt is insistent that far greater commitment to investment in R&D is required along with ‘a more robust approach to creating and deploying Intellectual Property (DES 2011: 68-72). Higher education should become corporate in every direction, both serving corporate interests and becoming itself a corporate interest. Above all, it must be income generating. Coinciding with declining levels of profits in manufacturing in developed economies, colleges and universities are being seized upon as new pastures for profit making and profit boosting (Allen 2007a; Beckham, Cooper and Hill 2009; Leslie and Slaughter 1997; Bellamy Foster 2011). In the private sphere, *college inc.* already figures as a very profitable reality<sup>5</sup>, but the process in public education, in Ireland, is still marginal, and this is what the government seeks to rectify. This perspective complements the government’s other goal - to reduce state spending on education - and, in this scenario, for-profit units within universities and the commercialisation of ‘intellectual property’, beckon as sources of income to replenish public funding shortfalls.

However, it should be remembered that, in Ireland, private enterprise has, in reality, been highly selective about committing funds to higher education. Despite the decade-long official policy to adopt ‘commercialisation strategies’ for higher education, the state’s contribution to higher education funding has remained stubbornly high at 85% of total funding (DES 2010:43). Today, in the midst of a recession in which capital is patently not investing anywhere, it remains to be seen over the next period how much private investment universities will actually attract.

### **Skills and the myth of the magnet economy**

The Hunt report, like so many others in Irish public life, is premised on the dominant view that we are in a global knowledge economy of new technologies in which human skills constitute the drivers of economic growth. The foregrounding of skills hinges on the concept of the smart economy as a magnet for foreign investment. A highly skilled workforce, so the argument goes, will attract new capital investment and the creation of ‘high-value-added’, well paid jobs.

The reasoning behind skills attracting investment, however, is not based on economic reality. In an important study by Philip Brown and Hugh Lauder (2006), it is shown, that, in Britain, the expectations of investment and jobs around skills have not been fulfilled. The idea of the magnet economy, they argue, rests on the assumption that manufacturing low skilled jobs will be concentrated in the low wage economies of Asia and eastern Europe while the western economies will continue to attract capital for high-skill ‘knowledge worker’ jobs. In reality, however, high skill jobs have not turned out to be the preserve of the advanced economies and are becoming more and more plentiful in low wage economies, such as India and China. These countries have

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<sup>5</sup> *College Inc* is the name of a Frontline video which reports on the expansion since the recession of for profit colleges available at <http://video.pbs.org/video/1485280975/>

also invested significantly in higher education: the number of university students in China has increased rapidly in recent years, from 1.08 million in 1998 to over 17 million in 2003 far outstripping, in actual numbers, university students in the UK and probably now the US too<sup>6</sup>.

Furthermore, 'knowledge workers', like craft labour in the early twentieth century, are not assured a preferential place in the labour market, indefinitely. As capital tries to lower its labour costs, their specialised knowledge becomes standardised and routinised across the labour force and, in this process, skilled workers are less able to attract higher wages. Brown and Lauder argue, skills have become rather like a 'reverse auction', where the cheapest takes all (2006: 29-30). The result is that highly skilled graduates find themselves either doing work below their abilities, or being in oversupply and unemployed. Brown and Lauder also show that knowledge based industries are not necessarily large job creators. For example, Northern California's Silicon Valley, home to the world's largest high-tech businesses did not result in the creation of large numbers of jobs. Behind every knowledge worker's job, they show, were a legion of lower-skilled lower-paid positions. Indeed, knowledge-based industries often contribute to the widening of wage inequality (2006:65). In this situation, talk of the ushering in of greater worker autonomy as employees make use of new technology in autonomous spheres within the knowledge economy, as foreseen by some (Hardt and Negri 2005), simply misses the dynamic of the new industries. Rather, even if work practices in the new knowledge based economies appear, superficially to be different, the same profit motive and intense competition continues to drive down wages for the same reasons as they did as in the manufacturing industries of old (Doogan 2009). In a recession, due to intense competition in the labour market, these tendencies are even more pronounced.

Brown and Lauder also point out that more and more people in possession of higher skills bring other competitive factors into play and, in this situation, class privilege confers special advantages. 'The focus on raising standards [...] ignores the fact that some individuals and families are much better placed to mobilise their material, cultural and social assets to increase their chances of winning the competition for elite credentials and jobs differentiation within the same occupation' (Brown and Lauder 2006: 47). Their findings relate to Britain, but in Ireland, too, the overall expansion of higher education, rather than reducing educational inequality, has tended to exacerbate it. Educational advantage bestowed by ability to pay has become particularly pronounced. During the Celtic Tiger period, wealthier parents availed widely of private education and grinds (after-school private lessons) in order to increase their children's chances of entry into third level education. Private schooling and after-school private lessons saw a significant increase over the era of the boom (Allen 2007b; Whelan and Layte 2004: 92). The decisive beneficiaries of the dramatic increase in Irish university participation rates were children of professional and managerial families, who, with a participation rate of 100%, now outstripped everyone else, by a multiple of six vis-à-vis the lowest income category (DES 2011:

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<sup>6</sup> These figures are from the Asia Times available at <http://www.atimes.com/atimes/China/GA06Ad06.html> Brown and Lauder cite figures from 2001 in which they report China having six times as many university students as the UK and almost as many as the US.

37). This educational advantage almost guaranteed them both employment and higher rates of pay, while wages in the working class actually declined in real terms (Allen 2003). Interestingly, the recession would not appear to have dented the trend among the wealthier social group, either as regards their paying for private education or the subsequent privilege that this confers for securing a job. The household survey of the first quarter of 2009, when depression took hold, shows a sharp fall in working class employment. Job losses have occurred across all sectors but manual and service occupations have been particularly badly hit (O’Riain 2009). The Hunt Report has little to say about this deep-seated social inequality cemented through access to education, other than to argue, in circular fashion, that an individual must invest in their own education to improve their social position (DES 2011: 114).

In tandem with this development, and against what Hunt seems to suggest, highly skilled people not only fail to command higher wages but are also progressively undervalued. They find themselves in jobs where they cannot use their skills, in underpaid ‘placements’ where ‘developing skills on the job’ turn out to be a fiction devised to drive wages down further, (an employer’s alibi for paying absurdly low wages) or more likely finding themselves in no jobs at all. The problem, as Brown and Lauder (2006: 49) suggest, is ‘not deficiencies in the employment skills of graduates but problems of demand and skill utilisation’. In the depth of the Irish recession, which saw GNP plunge by 8% in one year, all capital investment frozen, unemployment on a sharp upward path – to 22% in some categories of work (McDonnell and Clancy 2011:3) - and as of 2011, one thousand people a week leaving Ireland to find work elsewhere, the emphasis on ‘skill deficiencies’ rather misses the point.

### **Human capital and competition in the labour market**

Central to the notion of the skills agenda as pursued by neoliberal governments is *human capital*. For the Hunt Report, creating and enhancing human capital – a term which it judges needs no explaining - is the main object of higher education is its contribution to economic recovery (DES 2011:10). Official government policy reports, economic commentaries and increasingly mission statements of universities, in Ireland, the UK and the EU, consider human capital development as the essential ingredient for economic growth and, it follows, the main function of higher education. Human capital, as defined by the Organisation for Economic Development and Cooperation is the knowledge, skills, competences, and other attributes embodied in individuals that are relevant to economic activity (OECD 1998). The term coalesces around the concepts of the use of skills in an economy and the need for investment to develop these and that this investment, like capital itself, should bring returns.

Human capital has now become a core plank of neoliberal ideology. One of the first theorists of human capital, Gary Becker, of the Milton Friedman Chicago School of Economics (2002:3) explains:

Human capital refers to the knowledge, information, ideas, skills, and health of individuals. This is the ‘age of human capital’ in the sense that human capital is by far the most important form of capital in modern economies. The economic successes of individuals, and also of whole economies, depend on how extensively and effectively people invest in themselves.

‘Investing in themselves’ stands for education, now understood as the crucial enabler of the development of human capital.

Human capital allows education and capitalism to be woven together ever more tightly. This link is not new: formal public schooling has always served, primarily, the interests of capital. Critics of neoliberal education have a tendency to present the present phase of the industry-education takeover as something qualitatively different, a new ‘rule of terror’ and the eclipse of democracy (Giroux 2004). Justifiable outrage against the present effects of neoliberalism tends towards implying that there was a previous, kindlier version of capitalism which took education seriously and left the autonomous sphere of culture and learning alone. History, however, shows that education has never been free of the constraints of the economy, still less an ideologically neutral zone. The introduction of universal education in the late nineteenth century owed more to the pressures exerted by the needs of industry whose increasing complexity required specific literacy and mathematical skills, than it did to motivations of democratic inclusion. Universal compulsory schooling provided other important social benefits to controllers of capital. It socialised children into the discipline and expectations fostered by industrial capitalism and acted as a valuable shock absorber to the social upheavals being wrought by industrialisation (Bowles and Gintis 1976:27).

Higher education, at a later phase of capitalism in the 20<sup>th</sup> century, played a different social role. It was reserved for potential employers, professionals, top public servants and managers and formed the top rung of education whose main function was to train the ruling class to rule. Samuel Bowles and Herbert Gintis refer to this process as the ‘correspondence principle’ in education whereby education replicates in various ways class division (Bowles and Gintis 1976: 130-132; see also Belamy Foster 2011:8). Universities, they claimed, function mainly as select institutions to replicate the top end of society, and, under the aegis of intellectual achievement and meritocracy, legitimise social hierarchy. The Italian socialist, Antonio Gramsci, provided, I think, a more subtle elaboration of the role of universities in capitalism. He described how modern capitalism required a different kind of leaders to the cultural, formal-judicial graduates from the classical universities. It needed an intellectual and technical university combined, one which would produce both professionals and teachers but also specialised functionaries and managers for scientific industrial production (Gramsci 1971: 28). While there was always a gulf between university graduates and the working class, universities as they widened their social functions, Gramsci points out, also produced independent thinkers and radical critics of the system (1971: 342). This seeming contradiction, as well as accounting for how universities can simultaneously represent the establishment and give voice to radical opposition, constitutes a dynamic in capitalist education that a literal reading of the ‘correspondence principle’ would seem to ignore.

In many countries including Ireland, university remained highly selective right up until relatively recently. In 1960, just 5% of Irish students who completed secondary education went on to college; twenty years later it was still only 20% (DES 2011: 35). The official view of a university then was that it should provide a liberal education, in the words of Irish educationalist, Cardinal Newman, ‘a place for



teaching universal knowledge’, the all-embracing goal for students who would be conscious, in the main (although it did not always turn out like that), of the social role expected of them. Today, however, as capitalist production grows more sophisticated, the competition between capitals more intense, over and above specialised managers, an ever more sophisticated workforce is required. The result has been a massive expansion of higher education worldwide, referred to sometimes as the ‘massification’ of higher education (Woolridge 2005). In Ireland, the change has been striking: today in 2010, no less than 65% of those students finishing secondary education are entering higher education, which means that Ireland has gone from the bottom of European participation rates to the top. As this has happened, what Gramsci called the ‘technical, practical element’ has become the dominant feature.

Human capital encapsulates this binding together of knowledge and expertise with their function and value in the economy. Knowledge is reclassified as an economic category and human endeavour linked to productivity: the greater its outcomes, the greater its value. Where workers become human capital they are also reduced to the level of a commodity to be sold to a willing buyer (Perelman 2011:11). A person’s potential to learn things becomes something measurable in terms of returns on investment, and someone’s labour a quantifiable thing that can be priced, bought on the labour market.

This representation of human beings, knowledge and work has specific ideological effects. Human capital, when it was first coined by Becker in the 1960s, was considered to be too debasing to be used publicly. The term was seen, correctly, as objectifying people and only suitable to refer to anonymous ‘others’. Even today, despite the apparent wide acceptance of the term, it is, in practice, only used in official documents and hardly at all in ordinary conversation. (Who, indeed, would spontaneously describe themselves as human capital?) When Samuel Bowles and Herbert Gintis criticised, from a Marxist perspective, the use of the term in the context of education in America in the 1970’s, they argued that human capital

- treats labour as a produced means of production whose characteristics depend on the total configuration of economic forces,
- centres on differentiation in the labour force and
- brings basic social institutions previously relegated to the purely cultural and superstructural spheres into the realm of economic analysis
- formally excludes the relevance of class and class conflict to the explication of labour market phenomena

(Bowles and Gintis 1975:74-75)

Their study highlights how *capital*, as applied to individuals, invites identification with guaranteed returns on a fixed sum of money (with money being taken as something with which individuals are miraculously endowed). The metaphor erases social relations. Capital here, unlike how Marx described it, is drained of class content

and becomes a given, separate from the society in which it was produced<sup>7</sup>. Likening human work to this understanding of capital reduces what is a potential to something already existing, and makes quantifiable that which is unquantifiable. Furthermore, neither waged or salaried work in capitalism have a fixed or stable value; rather, both tend to be subject to what the employer, taking account of labour supply, will pay. One might say, therefore, human capital is not very like capital - even in the neoliberal understandings of the term - nor very human.

The ideological function of human capital is that it draws education closely into the ambit of the economy and also transforms the notion of education. When the neoclassical school of economics first focused on human capital, they did so as part of measuring the link between levels of education and earning potential or 'the activities that influence future real income through the imbedding of resources in people' or 'investing in human capital' (Becker 1962: 9). The adoption of the human capital frame positions education on the first rung of the education-jobs-rewards ladder. Learning thus becomes something primarily aimed at increasing an individual's earning potential and, by extension, something for which an individual, not society, is responsible. Investment becomes thus not an investment for all society but an investment for the individual, a financial commitment which will supposedly pay dividends to the individual in the future. It follows that if human capital is an investment for an individual, an individual should be responsible for paying for it.

The Hunt Report describes as 'essential' the introduction of a direct contribution from students<sup>8</sup>. 'The only realistic option', it goes on to say, is 'to support growth in participation and to require students or graduates to directly share in the cost of their education, reflecting the considerable private returns that they can expect to enjoy' (DES 2011:16). The assumption in the human capital template is that earning potential afforded by higher education is the only consideration for students. The Hunt Report, in this respect, follows the trend elsewhere. For example, the 2010 Browne report on Higher Education in Britain adopts the same train of thought. Students are understood to be consumers of Higher Education and they 'are best placed to make the judgment about what they want to get from participating in higher education' and the major element of this is in terms of which courses will lead to higher earnings (Collini 2010).

However, education seen as an individual investment completely ignores, from a variety of viewpoints, the social dimension to education. As argued in the last section, class privilege and the special access that it affords to higher education is decisive in the securing of better paid employment. What's more, education as an investment assumes that it is instrumentalism alone that drives people to become educated. Concerns about employment prospects are very important, but so too, from a broader social perspective, is the question of learning. Narrow skill-getting for an imagined job is a poor and alienating representation of the rounded lived experience of education. Equally, over reliance on the student to know in advance what her learning

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<sup>7</sup> For Marx, capital as a material product divorced from social relations, was part of 'vulgar economics' which could not explain where wealth came from: 'capital is not a thing, it is a definite social relation of production pertaining to a particular historical social formation' (Marx 1991: 953)

<sup>8</sup> As of 2011, Irish universities charge registration fees rather than tuition fees. Historically these have been low but the cutbacks in education have seen them rise to as much as €2000 per year.

experience will be omits the element of the unknown present in all learning. The student's ability to assess accurately where the learning process will take her or what exactly will be learnt can, of necessity – from the standpoint of the student - only be a partial judgement. 'Student choice', despite the accepted refrain that it has now become, focuses only on one side of the education process, and is an impoverished, transactional view of what the education process involves.

If education human-capital-style is about looking after oneself, it follows that it is also about greater competition between individuals. Human capital inevitably stresses skill differentiation. The social, cooperative, creative component of education reconverts into a narrow, self-seeking activity whose end results will ultimately pit one person against another on the labour market. William Morris, writing in the 1880s, noted amid the erosion of craftsmanship in assembly line capitalist production, how education was becoming debased and wrote, with striking prescience (1888):

.. just as the capitalists would at once capture this education in craftsmanship, suck out what little advantage there is in it and then throw it away, so they do with all other education. A superstition still remains from the times when 'education' was a rarity that it is a means for earning a superior livelihood; but as soon as it has ceased to be a rarity, competition takes care that education shall not raise wages; that general education shall be worth nothing, and that special education shall be worth just no more than a tolerable return on the money and time spent in acquiring it.

In our times, debt has replaced 'a tolerable return' on the money spent on education, but the same critique of functionalist and alienating education applies.

Besides human capital presenting a drab grey view of education, its reasoning does not correspond to how the world, or capitalism, actually works. The prime mover of economic growth, unlike what neoclassical economics dictates, is not individual enterprise but capital investment for the profit motive. When capital, as a result of the crisis, is not being put into production of goods and services, it might be argued, following the logic of capitalism, that education should diversify into broader objectives or concentrate on less employment specific outlets, even as these dry up. Similarly, it might be argued that the breakneck speed of expansion of higher education should be reviewed and alternatives discussed. Instead, official pronouncements advocate that the numbers of those designated to acquire skills in higher education is not only to be continued, but expanded. 'If Ireland is to achieve its ambitions for recovery and development within an innovation-driven economy, it is essential to create and enhance human capital by expanding participation in higher education (DES 2011: 10). Skill development is still regarded as the aim of higher education even if it is far from clear exactly how skills are going to kick-start the economy or where the capital investment, in a world-wide slump, is going to come from.

In reality, the very functionalist priorities for higher education which may have seemed to make sense in the boom days of the Celtic Tiger, repeated now in the chill winds of a slump run the risk of heightening the spectre of economic failure. Brown and Lauder point out the political disadvantage, from the point of view of policy makers and governments, of stressing the overlap between education and the

economy. Creating the expectation that supplying skills will bring jobs, especially when it will be individual families who will be making further sacrifices to get their children into higher education, leads inevitably to political disillusion. They state that (2006:50):

...an unintended consequence of the application of human capital ideas to public and economic policy is that it is creating increasing problems in the management of expectations. The developed economies are in danger of creating a heady cocktail of discontent: students and their parents may find that a degree fails to deliver the standard of living they have been led to expect and employers will have too many overqualified and disgruntled employees.

In Ireland, expectations around skills and human capital as a magnet for investment and the creator of jobs have become the mantra of official government policy. The elements of ‘a heady cocktail of discontent’, which turned out to be true for Britain (Swain 2011), are also present in Ireland. While emigration may have siphoned off some of this, it remains to be seen how, in the longer term, Irish young people, and their indebted parents, will respond politically to the bitter reality of widespread graduate unemployment.

### **Education policy, capital and the state.**

The official policy for higher education in Ireland may be driven by international capital and its desire to ensure the smooth supply of labour in the future, but for implementation and legitimisation, it is dependent on a local state. In the case of the Hunt Report in Ireland, international capital and national policy are interwoven to such an extent that it is difficult to disentangle the two.

The strategy group which devised the report for the government was chaired by Dr. Colin Hunt, now Director of the Irish branch of the Australian financial corporation, Macquarie Capital Advisers, an organization which has interests in the privatisation of education. The other report group members were from the World Bank, Irish Government Departments and Advisory Boards, members of boards of multinationals in Ireland, and just two Presidents from Institutes of Higher Education (DES 2011: 39). Despite the declared wish to consult with those working in universities and ‘engage with wider society’, there was just one practising academic (from Finland), out of the total of 15 group members, and no representative from community or wider social or cultural organisations.

The process by which reports such as these become national policy is interesting. The 2004 OECD report on Higher Education was adopted, with no amendments, by the Irish cabinet a few months after publication (Holborow 2006:93). The Hunt report, having been endorsed by the current Labour Minister for Education, Ruairi Quinn, and publicly posted on the Irish Department for Education and Skills’ website, it too has effectively become government policy (Quinn 2011). Naomi Klein (2007) speaks of the way corporate think tanks forge theories that become the real shock doctrines of government, and there are striking similarities in what she writes for education. Parliamentary processes, involving elected representatives who draft bills, who discuss, amend and vote in full view of the public on what will become law, are

cursorily dispensed with, it seems. Corporate ‘expert’ reports have supplanted public policy. Between the publishing of the Hunt Report and now, it should be remembered, a general election took place with a change of government; yet through all of this, the Hunt Report remains the point of reference for Irish Higher Education Policy. The corporate take-over of public policy, with corporate interests and the state speaking as one, represents considerable democratic deficit.

In Ireland, the way in which higher education policy has also come to include industrial relations in the education sector is another example of the overlap between corporate reports and public policy. One of the most detailed sections of the Hunt Report is devoted to the ‘effective deployment of resources in higher education’ and deals very specifically with Human Resources issues (DES 2011:118-9). Educational policy has now come to include the neoliberal view of cutting the cost of education through paring back on the salaries and working conditions of those who work in education. The section of the report which deals with this bears a striking resemblance to those found in the present Public Service Agreement (Dept. of Finance 2010). Greater productivity through tracking of individual performance, a comprehensive review of contracts to include a broader concept of the academic year, adjustments to existing workloads and the introduction of flexibility and mobility to deal with structural changes are all to be found in the same detail as in the Public Service Agreement. If the ‘modernisation of work practices’, ‘comprehensive review of contracts’ and ‘greater managerial discretion to deal with ‘under-performance’ now forms of part of educational policy, it is not difficult to see that both policy and politics in neoliberal thinking merge as one. Yet again, neoliberal directives in education assume the starting point to be the point of view of the employer and subordinate the interests of those who work in education – the academics and the administrators - to their interest-laden dictates.

What these developments show is that corporate dominance occurs not through bypassing the state but by enlisting the state as its ever more effective instrument. In education, even in neoliberal, privatising times like our own, the state continues to play a crucial role. It has often been argued by those critical of neoliberal globalisation that today’s world is ‘transnational’, driven by a transnational capital class (Sklair 2010); that in the age of neoliberalism, education is controlled by global actors such as the IMF or the World Bank (Robertson and Dale 2009:33); or that the new global system was ‘deterritorialised’ and that nation states in today’s world have a lesser role (Hardt and Negri 2001). Such interpretations underestimate the fact that corporate monopolies in competition with others depend on their own national states for competitive advantage and that states and capital are economically, structurally and politically interdependent. Nowhere is this fact more evident than in the educational arena. Capital needs states for facilities that are not necessarily provided by the market: the vital infrastructures and the social foundations – including a national education system - provides capital with an ongoing and suitably skilled supply of labour power (Harman 2009: 264-270). Sidelining the importance of the state in contemporary capitalism makes too many concessions to the state-free view of the world promoted by neoliberal ideology. Neoliberal governments, contrary to their pronouncements, have actually overseen a rise in state spending and influence (Béland 2010; Harman 2007). Small government is a flourish of ideological rhetoric which has been revealed as such as states intervene with gusto in

the debt crisis. As has been pointed out, the lengths to which states would go in the protection of large chunks of capital, particularly those tied up in finance, makes nonsense of the idea that the neoliberal state stands to one side to let the market do its work (Callinicos 2009; Žižek 2009). The invention of the word ‘sovereign’ debt, through which private banking debt became public responsibility, deftly captures the tightness of the state-capital overlap. In education, too the state is indulging in ideological hyperbole when it argues that education needs to be more and more privatised. Alongside the neoliberal pronouncements extolling a withdrawal of the state in education, in practice the state remains decisively hands on. Educational systems, even in neoliberal times, are still overwhelmingly funded by the state, dependent on state policy, and centralised under state moderated curricula and exams. Education also fulfils a socialising role that the state ignores at its peril. As Lipman points out, governments are keenly aware that too much state withdrawal from education could create a ‘crisis of social reproduction’ as the functions of education - social stability, political legitimisation, and the reproduction of the labour force – are not guaranteed in private hands (Lipman 2011:124). Governments know that they cannot afford to underestimate the wider social role that education plays and sometimes they seek to engineer developments in education to suit specific political ends. For example, in Ireland, the Hunt Report’s specific call for a further doubling of the capacity of higher education in the next twenty years (DES 2011: 10) may carry political advantages for the government of the day. For example, having young people registered in college may be preferable, for political reasons, than having that number of young people on the dole.

### **Education and the wider movement of resistance to austerity**

Neoliberal dictates in education and financial pressures on students are the ingredients that elsewhere have led to student radicalism. In Ireland, the exclusive emphasis on the skills-for-jobs perspective, against the backdrop of ever higher rates of student participation in third level education and sharply rising graduate unemployment, makes the crisis in Irish Higher Education potentially more acute. It was the presence of just such pressure points which made student explosions erupt – in 1968 but also in Britain in 2011 - and it is not unreasonable to expect that higher education in Ireland will be affected by the same tensions between education and the economy.

In Ireland, which has seen the implementation of one of the severest austerity programmes, resistance across the working class movement, up until now, has been sporadic. In February, and then in November 2009, large demonstrations and well supported public sector strikes involved thousands of students, teachers and lecturers in a united show of opposition to the Government. In 2011 however, the trade union leaders’ complicit agreement to cutbacks in the public sector tended to drive resistance to a more localised level, although by early 2012 that appeared to be changing as widespread resistance to local household charges grew.

This paper has attempted to lay out a critique of the neoliberal view of education, not from the belief that it suffices to show how capitalism distorts education but because of an awareness that in the present crisis, the controllers of capital attack on every front – including a concerted ideological campaign to regain the ground that they have lost over the debt crisis (Žižek 2009; Holborow 2012). Gramsci, writing in a

similar period of crisis in the 1930s argued that struggle against the existing order had to take place on all fronts, the ideological as well as the practical and organisational. He explained (1971:178) that

A crisis occurs, sometimes lasting for decades. This exceptional duration means that incurable structural contradictions have revealed themselves ... and that, despite this, the political forces which are struggling to conserve and defend the existing structure itself are making every effort to cure them, within certain limits, and to overcome them. These incessant and persistent efforts ... form the terrain of the 'conjunctural' and it is upon this terrain that the forces of opposition organise.

Gramsci's insight is apt for the present situation – the crisis is protracted and the ruling class is persistently taking advantage of its uncertainties to drive through their own agenda of protecting profits at the expense of workers' living standards. Gramsci is sometimes quoted to justify a 'counter-hegemonic strategy' that prioritises critical analyses, cultural practices or rather broadly defined 'social movements and pedagogic work' (Apple, Au and Gandin 209:14) over and above specific questions of social class and the role of education in the capitalist system as a whole. Gramsci's writings, which included the question of education, discussed the necessary strategies and tactics to achieve, not just a shift of policy, but, following his experience during the occupation of the factories in 1919-21, the need for social revolution. Immediately after the passage quoted above, Gramsci warns of the twin dangers, in revolutionary movements, of an 'excess of economism' which sees trade union struggles alone as sufficient and also (perhaps particularly relevant to some strands of Critical Education) to the danger of an 'excess of ideologism' in which there is an exaggeration of voluntarist or individual elements (Gramsci 1971: 178-9 ). His perspective for revolutionary change is one that sees the organisational and the ideological as part of an integrated whole.

Following Gramsci's perspective, we can say that degree of success of any challenge to neoliberalism in education depend on the robustness of resistance in the wider working class movement and its ability to mobilise against the current assault from the rule of capital. Identifying neoliberalism as the specific ideology of a section of the capitalist class is vital to understanding what is happening in higher education. Neoliberalism is not just an aberration, an excess of the market mindset, the voluntaristic take-over of the university by market fundamentalism that needs to be 'reigned in' (Mautner 2010:22). It is an ideology in the sense that Marx used the term when he referred to ruling ideas which are 'are nothing more than the ideal expression of the dominant material relationships, the dominant material relationships grasped as ideas' (Marx and Engels 1974:64). The 'human capital' notion is one such expression of the dominant material relationships, and, in this way, central to the embedding of neoliberalism in higher education. During the boom, neoliberalism provided a unique ideological template which fused ultra- individualism with the needs of the capitalist economy. In the context of the present great depression, I hope I have shown here, the underlying ideological imperatives of human capital become sharply exposed and this realisation can play a role in bolstering resistance both to the neoliberalisation of education and to the logic of capitalism itself.

## Author Details

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