

# **REFORMING HIGHER EDUCATION SYSTEMS IN EUROPE SINCE THE 80S: BETWEEN UTILITARIANISM AND JUSTICE?**

**Jean Luc DEMEULEMEESTER**

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# REFORMING HIGHER EDUCATION SYSTEMS IN EUROPE SINCE THE 80S : BETWEEN UTILITARIANISM AND JUSTICE ?

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## Abstract

We present in this paper the main characteristics and motivations for reforming higher education systems, first in England (a successful process from the point of view of the policy-makers) since the early 80s and then at the European level since the mid-90s. We stress the shift from a Humboldtian model with relatively autonomous universities (with a protective state funding them and allowing them to pursue their own agenda) to a new model where universities increasingly become tools of wider economic (and social) policies. We stress the role of English reforms as models for European-wide reforms in order to maximize the contribution of higher education to competitiveness, innovation and employability objectives. We make a link with the various theories of justice at our disposal, and we stress the dominance of the utilitarian views. We should nevertheless stress that some elements of the "new model" (as principles of fairness concerning a right level of accountability, the introduction of top-up fees, the stress on equality of opportunity) also involve other philosophical perspectives (Rawlsian, for example).

Nous présentons dans cet article les grandes caractéristiques et motivations des réformes des systèmes d'enseignement supérieur, en commençant par celles menées en Angleterre depuis le début des années 80 avant de présenter celles menées à l'échelon européen depuis le milieu des années 90. Nous soulignons le passage d'un modèle resté peu ou prou humboldtien avec des universités largement autonomes (et protégées par l'Etat – qui les financent) à un modèle où les universités tendent à devenir de simples outils de politiques économiques et sociales plus larges. Nous soulignons l'importance du modèle anglais comme référence pour les réformes menées actuellement à l'échelon européen afin de maximiser la contribution de l'enseignement supérieur à des objectifs tels que la compétitivité, l'employabilité et l'innovation. Nous opérons le lien avec les diverses théories de la justice et nous soulignons l'importance déterminante de l'utilitarisme. Nous soulignons néanmoins aussi que certains éléments des nouvelles politiques d'enseignement supérieur (comme la volonté de reddition de comptes systématique, l'évaluation, mais aussi l'égalité des chances ou l'accroissement des droits d'inscription) sont aussi motivés par d'autres courants philosophiques (rawlsiens par exemple).

## Introduction

European systems of higher education have been submitted to various waves of reforms since the early 80s. The first reformers were mainly protestant countries, open to the international competition: England (not to be confused with the whole of UK as Scotland faced a different evolution) and the Netherlands. England was certainly the prototype of reformers, and served as an example both for specific countries (in France for example) or for larger-scale reforms attempts (at the European-wide level), despite the standard

reference to the US model. The English path of reform should therefore receive more in-depth investigation. It began with a rather elitist system of higher education institutions where professors had a lot of say and autonomy (Archer, 1979) and ends up in a system very centralized, steered from above through a rather intelligent “administered competition” or quasi-market mechanisms (see Johnson, 1990). Using the rather non-cooperative nature of the higher education system (linked with autonomy), the English state was able to monitor the incentives in such a way as to drive the whole system in a desired direction, first responsiveness to economic needs, later on (under the New Labor government, 1997-2010) social inclusion. Administered competition, quasi-markets and new public management were all tools useful to mobilize the system for the attainment of goals set outside the system (Deer, 2002). As we will see, this was a real “cultural revolution” (De Meulemeester, 2012), a break with the former (and more or less pure) “Humboldtian model” (Gispen, 1989) and the triumph of a “utilitarian perspective” viewing higher education systems just as a tool for economic and social policy. The success of the American university system coupled with the apparent success of the American economy during the second half of the 90s (the so-called “new economy” rapidly translated into the knowledge-based economy, Artus, 2002) led European governments at the end of the 90s (where 11 out of 15 were led by social-democratic governments) to launch both the Bologna Process (realizing the European Higher Education Area) and the Lisbon Strategy (“becoming by the end of 2010 the most competitive and most dynamic knowledge-based economy in the world”). In such a viewpoint, economies at large as well as individuals could only survive in a globalized economy (where Europeans are quite expensive in terms of labor and other costs) by being innovative and creative, producing high-quality goods thanks to a highly educated and entrepreneurial workforce. All European countries began to reform their own systems in order to attain the objectives set by these common agreements (inter-governmentality and the “open method of coordination” came to the fore). All these evolutions shared some common characteristics as reduced public funding per head, conditionality of funding mechanisms with an implied competition between institutions, systematic evaluation at all levels (from individuals to institutions) on objectives set by government or other international bodies (as accreditation agencies or evaluation agencies), management by objectives, new public management, internationalization, mobility of students and professors, a discussion on the right way to finance institutions and on the specific contribution of students versus the general taxpayer (see the *Ritzen Manifesto*, June 2010). If utilitarianism was central, equity and justice were not absent from these debates. The core idea of accountability was actually also presented as a pre-requirement of justice as academics receive their funding from the taxpayer (at least in the dominant public systems of Europe) and cannot do whatever they want (as was the case in the Humboldtian model, even after a very long socialization process; see Frey, 2010). The issue of access to higher education institutions was also deeply discussed: should it be restricted to the best students only, or should we allow everybody to take his chance in the system (at the price of a very high failure and drop-out rate in first years)? Should the access be made free due to the

important externalities coupled with educative investments (Lucas, 1988) or should we make the student participate in the funding of his/her own education by paying top-up fees of 6000 to 9000 pounds as is the case today in England (Browne Report, 2010) ? Should we maximize the choice set of students and letting them free to choose what they want to do or should we influence or even limit the space of free choice? All these questions embody a part of ethical debates and mobilize concepts from the various theories of social justice at hand in the “market for ideas”. The aim of this paper is to discuss all these elements.

The first section of the paper discusses the English reforms and their influence on France. The second section will present the European agenda (before 1999, then the Bologna Process and the Lisbon Strategy, ending with the new Agenda, “Strategy 2020” and the renewed Bologna agenda). The third section will present the various theories of Justice discussed in these debates (utilitarianism, “natural justice”, libertarianism, Rawlsian perspectives) and will discuss the possible links with policy. We finish by addressing some avenue for further research.

### **The English path of reforms**

Despite the constant reference made by European policy makers to an “American model” of higher education (see the literature produced by the European Commission or the Council, e.g. “Delivering on the *modernization agenda for universities*: Education, research and innovation”, communication of the Commission to the Council, 10 may 2006), the actual followed model is probably much more the English one. It is indeed an example of a successful transformation of an originally quite classical European model of higher education (with a large degree of autonomy for the institutions, large independence for the academic profession – possessing a large degree of bargaining power) into something radically new, i.e. a higher education system steered from outside and both governed by the State authorities while being put under an important competitive pressure to obtain constantly declining amount of funding (Deer, 2002). It is a very good example of how market mechanisms (or quasi markets) can be used as a tool to reinforce the central power of the authority. It is this part of the Thatcherite Revolution that managed to weaken quite considerably a lot of counter-powers (trade unions, local authorities). Even if she was strongly influenced by a neo-liberal agenda (she considered Hayek as one of her reference), the model put in place under the two Conservative governments (Thatcher 1979-1990; Major: 1990-1997) was a clear example of utilitarianism. If the tools were the one of market and competition the main objectives were to maximize the contribution of the system to the economic system, whether employability or economic growth.

When Thatcher came to power in 1979, the transformation of the higher education system was not a key point in her agenda. She had first to deal with much more important issue as the transformation of the British economy, fighting inflation and unemployment, reducing the size of the State. Her agenda implied theoretically tight monetary policies (controls of the expansion of money supply), reducing public expenditures and taxes, end of public

support to industry, opening the borders to worldwide competition (with the implied structural adjustment of the British economy, the deindustrialization and by the way the destruction of the basis of the trade unions), rolling back the Welfare State (Atkinson, 1999)... The results were not immediately positive: unemployment rose, the British industrial decline went on, inequality was on the rise. The size of the public sector remained important and the conduct of monetary policy was not as easy as expected (Grant, 2002). Higher education was at the time something rather elitist in England – participation rates were low by European standards (HEPI, 2009). Several important universities (Ox-Bridge and the Russell Group) had up to then no important problems to be funded and their influence was important. The bargaining power of the academic profession was important, despite some changes appearing already in 1963 (Robbins reforms). Slowly but surely universities began to have to justify their intake of public funds (despite the fact that at first professors still exerted considerable influence). Despite the survival of a form of “Humboldtian model” where academics enjoyed a large degree of autonomy and freedom ensured by (protective) public funding, the conditions for a change were already there at the end of the 70s. Despite their claim for autonomy, English universities were heavily dependent on public funding – giving the State a potential important bargaining power (Deer, 2002). With the rise in the number of students and the rising costs of top research, funding needs were only there to rise, whereas the Thatcherite agenda centered on diminishing public expenditures and allocating them optimally could only imply more difficulties for universities. They were deemed to face a harder and harder rather than as in the past a soft budget constraints (Kornaï, 1986). The important degree of autonomy of each university and the absence (as in France) of a “civil service of higher education” led also to potential non-cooperative behavior on the part of the universities.

This was exactly what happened during the 80s. The first measure taken by Thatcher was to reduce public expenditures, with strong effects on higher education in 1981 (“the year of the cut”: 17% reduction of public expenditures in 3 years). These saving measures were nevertheless accompanied by the possibility let to the universities to charge full cost of studies for overseas students. This led the universities to pursue a policy of internationalization and of aggressive marketing abroad, to attract their share of these students. At the same time the reduction in public money (and the general rise of public management) led to the introduction of more private-sector management techniques inside academia. On top of that, universities reacted in a non-cooperative way. Facing the strong decline in public expenditures, top research universities pleaded for the introduction (1986) of a research assessment exercise (R.A.E.) with selectivity, where academic departments had to be periodically assessed and money distributed depending on the rating of the departments. Good research universities hoped to capture a larger slice of dwindling public money by the way. The R.A.E. was soon captured by the public authorities and will be used to create a real competitive atmosphere between English universities. In 1988, Thatcher also abolished tenure for new appointments at universities. This measure was perfect to reinforce both the power of Vice-Chancellor inside the universities and of the central

authorities at the English level. New changes came with John Major. The former Polytechnics were reintroduced in 1992 as full-fledged universities and could compete for public research funds in the R.A.E. This measure reinforced competition. More and more the Research Assessment Exercise contributed to a concentration of research activities in several key universities (often the traditional ones of Oxford and Cambridge or the members of the Russell Group, but sometimes some new institutions managed to emerge as Warwick or Essex). A new body of funding (the Higher Education Funding Council of England, H.E.F.C.E.) was established and made more independent from university interests.

All in all, the 80s and early 90s were a period of radical transformation of the English higher education system. The former Humboldtian model of a university protected from societal and economic pressures and interests were over and the university system was clearly mobilized in the social and economic agenda of the government. At the beginning it was not a central objective, and the increased control of universities by the central government was just a side effect of cuts in expenditures and of a discourse of “value for money”. The privileged position of the academic profession was slowly eroded in the name of the common good (understood as economic efficiency) and a more free market and liberal perspective stressing that everybody is accountable for public money. This movement of reforms led to the triumph of a utilitarian perspective that will not be abandoned by the Labor government later on. This will be the more so that the 90s witnessed the emergence of concepts as “information society” or “knowledge-based economy” that gave a central role to higher education institutions, either in their education perspective or in terms of R&D.

The 90s were also a decennium of expanding participation to higher education. Between 1990 and 1996 the number of students doubled but the real funding per student declined by 30% (Barr and Crawford, 1998). This problem was addressed by the so-called Dearing Report<sup>1</sup> (1997). Following an important debate around the relative importance of externalities (the extent to which social benefits are more important than private benefits), the report concluded to the necessity of letting students to participate more in the funding of their own education. It proposed fixed fees reimbursable once the studies are completed. The report did not envisage upfront fees. It just proposed fees that correspond to 25% of the average cost of higher education, i.e. 1000 pounds. When the New Labor won the election in 1997, Tony Blair turned the proposal into something more radical: students had to pay the fees during their own education at the end of each academic year. He also replaced the scholarship by student loans. After observing a deep impact on the participation of students (especially those coming from the middle class), the government decided in 2004 to turn back to the earlier Dearing proposal, postponing reimbursement after the studies and reintroducing scholarships for the poorest students.

The New Labor Government (1997-2010) tried to combine the Thatcherite heritage with a renewed labor agenda for growth, employment and social justice interpreted as “equality of

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<sup>1</sup> Access to the Report is possible via the following address: <https://bei.leeds.ac.uk/Partners/NCIHE/>

opportunity” for all. We can see in the New Labor perspective the echo of a reinterpreted Rawlsian perspective (acceptance of a principle of difference if needed to foster growth but with a strong support for the weakest of society – with the aim of maximizing their chances on the lifecycle). Ideological debates were present for renewing the Labor discourse in the era of globalized markets and competition. Giddens (1998) and his concept of a Third Way was at the time strongly influential with echoes also on the continent (see the Agenda 2010 in Germany under Schröder). This agenda was also strongly influenced by the neo-classical economic discourse on the central role of human capital and increasingly innovation (Romer, 1990, 1993; Aghion and Howitt, 1998). This was of course also an echo of the success of the American economy under Clinton administration in the second half of the 90s (the so-called “new economy” with strong growth, no more cycles, low inflation and innovation and entrepreneurship; Artus, 2002). The Californian model of the Silicon Valley and success of the so-called dot.com were strongly influential in the design of the public policies in England and elsewhere (Finegold, 1999). On top of that, accepting the main views of the Conservative economic policy (at the time also the prescriptions of the dominant views in the so-called “new classical macroeconomics”), the room of manoeuvre of the Labor government was not that large. Education, human capital, R&D, innovation were all issues that can give a new role for the State while accepting the economic consensus of the day (a supply-side view). “Education, education, education” were key mottos at the time. The New Labor government sets new targets both in terms of aggregate participation rate to higher education (50% of a class age) as well as targets in terms of access from underprivileged groups in top universities. The government tried to reconcile efficiency with equity – stressing that this policy was at the same time socially just and economically efficient. Trying to replicate the success of the American model (for example around Cambridge) it went on with the centralization of research implied by the Research Assessment Exercise with selectivity and fostered the building of world-class centers of excellence. Elitism and widespread access went hand by hand (see following section on the influence of economics discourse). We here again see a utilitarian policy carried out by a rational policy maker wanting to both enhance British competitiveness and innovation potential, as well as maximizing the employability of its workforce.

The decennium 2000 was again characterized by a strong rise in the participation to higher education (37% of a class age 18-23 in 2003 but 45% in 2010) not accompanied by a concomitant rise in public expenditure. Worried not to penalize the taxpayer as it was not clearly demonstrated that the private returns linked with the possession of a degree translated into social returns, the government decided to augment the participation of the students to the funding of their education and authorized the universities to levy top-up fees up to 3000 pounds a year. We here again find the echo of a notion of Justice that considers that the general taxpayer should only be made liable to pay for policies that contribute to the social welfare. Any form of adverse redistribution (from the general taxpayer towards the well-off) should be avoided (see the echo of this debate in continental Europe; Van Parijs, 2003).

The economic and financial crisis impacted the British economy quite badly since the second half of 2008. The policies carried out to counter their effect (as the nationalization of some banks) exacerbated the tension on public expenditure. The New Labor government commissioned by the end of 2009 (November) Lord Browne of Madingley (former CEO of BP) to rethink the overall higher education policy. Here again we find a combination of utilitarianism and a concern for Justice. It deals mainly with the issue of funding higher education and the spread of the cost between the students themselves and the average taxpayer. Again we find here arguments about the certainty of private benefits and the loose evidence concerning the existence of social benefits. It implies that it would be both just and efficient to charge more the prospective students and preserve the average taxpayer. However the Report by Lord Browne tends to recognize the dangers of too important upfront fees in discouraging prospective students coming from lower social strata. Not taking this element into account would be at the same time unfair and inefficient (if we assume as they do that there is a “brain war” in the world and that talents are going to be scarce relative to demand in the future – and that talents are one of the key element to foster economic growth in the knowledge-based economy). This is the reason why the report, while proposing that universities charge top-up fees ranging from 6,000 to 9,000 £ also proposes to postpone the reimbursement after graduation if annual earnings are above a specified threshold. The Browne paper is strongly influenced by a very free marketer perspective – as it sees the reinforcement of competition on the higher education market as one of the key element to reinforce both its quality and its responsiveness to economic and social needs. The Report stresses that if correctly informed (and the spreading of correct information will be the role of the public authorities), students as rational decision-makers will be able to take the best decisions for their own careers. The Report gives a key role to the maximization of “free choice” by the students – and wants to create funding mechanisms that allow universities and departments in demand to prosper and expand, while those in low demand should disappear and die. The Report still sees a role for the public funding but the latter should be much more focused as well as reduced. It should be concentrated on those disciplines deemed to be the most useful for British competitiveness and youngster employability.

All of these arguments were taken on by the new Conservative and Liberal-Democrat government of Cameron. The 2010 Comprehensive Spending Review planned a 40% decrease of public funding for higher education up to 2014-2015. It also concentrates those cuts in the teaching side of the funding (cut by 79%) and concentrates them on the social sciences and humanities. Only the so-called STEM (“sciences, technology, engineering, mathematics and medical sciences”) are going to be publicly funded in the future (concerning the teaching part) due to their strategic role in the maintenance of the British competitiveness. Some purely social science institutions as the London School of Economics and Political Sciences are clearly considering the prospect of a full privatization. Some (key) human scientists (as the philosopher Grayling) contemplate the prospect of establishing a



new private for-profit undergraduate college in London, called the New College of the Humanities, with fees rising to 18,000 pounds a year.

**The European Strategy for maintaining the competitiveness and employability of Europeans in the age of the knowledge economy: the Bologna declaration (1999) and the Lisbon strategy (2000).**

Reforms of higher education systems were carried out already during the 80s in England and the Netherlands (quite successfully) as well as in France (less successfully: a project of giving more autonomy to the universities in terms of selection of students had to be withdrawn due to the pressure of students in 1986 – the latter element showing by the way the importance of the original institutional structures in the success or failure of higher educational reforms – see Archer, 1979; Deer, 2002; Demeulemeester and Deer, 2004). The 80s were both a period of important political change (from Left to the Right in key Western countries as USA, UK... except France) and by the way socio-economic governance (rise of new public management, rolling back of the welfare state, reduce the role of the state, at least in its Keynesian economic dimensions and traditional social transfer operations...) with also increased economic pressure due to the intensified international competition (both linked to objective evolution as the rise of East-Asian economies and more political decisions as the construction of the “unified market” in Europe in 1986 and the development of free trade agreements and globalization with the World Trade Organization in 1995). Everywhere the same constraints apply: firms and nations were submitted to more intense competition from low-cost countries, structural change in the economic landscape (de-industrialization) and delocalization by Multinational enterprises were on the rise, as well as unemployment among youngsters and low-skilled people. The competitive pressure and the new economic agenda (more supply-side, more monetarist, more new classical macroeconomic policy of fighting against inflation, public debts and deficits) led to a movement towards reducing the tax burden especially on capital and enterprises – reducing state receipts. New demands were on the rise on the public sector: unemployment benefits (due to the crisis), health and pensions (more and more with an ageing population) – putting more pressure on higher education that was itself expanding. The structural adjustment of the economies coupled with the opening of trade and capital movements induced growing unemployment at a time when the neo-liberal agenda forbade the classical Keynesian remedies of monetary and budgetary measures (even if this was sometimes more rhetorical than real – Reagan did not hesitate to expand the public expenditures for defense and running public deficits). In this context education policies and later on research and development policies appeared quite attractive (to show that governments were doing something to fight unemployment while sticking to the predicaments of the new economic doxa). Firms were also increasingly put under pressure and either had to upgrade their production and services (with a costly labor force, low quality production was not an option) or delocalizing their low quality production in the near low-cost economies (Mexico for the US, already Eastern Europe or the Mediterranean countries for the core of Europe). Firms

had to also to react quickly to changing consumer demands and had to produce “just-in-time”. Their needs in terms of manpower were changing: they needed now people both more skilled and more reactive (able to learn quickly new contents, with new skills and competencies). The biggest of those firms were able to join together to lobby at the highest level (see the European Roundtable of Industrialists, that produced already in 1989 new analyses and prescriptions concerning education and the need for a change). Those demands percolated in new reports by the European Commission as the White Book *Teaching and Learning in the new Learning Society* (edited by Bangemann and Cresson in 1995) (CEC, 1995). Other publications (e.g. by the French economist J.L. Reiffers) stressed the key importance of reforming education systems to foster both the employability of Europeans and the competitiveness of the European economy at large. Studies commissioned by the European Commission clearly showed the route to follow: the “high-skill, high-wage economy” and the imperative of producing high quality goods to compensate for their cost. The specific role of science and technology was put forward as well as the risks of bottlenecks in the production of scientists and engineers in sufficient numbers. The tendencies observed on the higher education markets (students tending to choose softer subjects as arts and humanities) were heavily criticized as well as the Humboldtian ethos and the conservative bias contained in the existing European education (and especially higher education) systems (De Meulemeester and Rochat, 2004). It is interesting here to note the importance of French specialists, economists and lobbyists behind this literature. One gets the feeling that the European level was partly used by frustrated French policy-makers to advance reforms that appeared blocked in France during this period.

There was also an evolution during the 90s concerning the discourse on education. If during the first half – even a bit longer – part of the 90s, qualitative reforms of the curriculum and quantitative expansion of the system were advocated, later on (end of the 90s) R&D and innovation were more and more stressed. This can reflect the evolution observed within the economic literature itself where the endogenous growth literature placed originally the emphasis on education or human capital and the importance of increasing the stock to foster growth (viewing human capital as just another factor of production – see Lucas, 1988) and changed slowly the perspective (under the influence also of more empirical works, see Demeulemeester, 2007). Following the Romer perspective (Romer, 1990, 1993), the stress was more and more put on the role of the stock (rather than its increase) of human capital on the innovation activities. This was particularly put forward by the new neo-classical “neo-schumpeterian perspective” on growth, advocated by Aghion and Howitt (1992, 1998, 2005). Aghion is certainly a key figure. As a French professor of economics at Harvard, he pioneered the new growth theory while playing an important role in policy advice. He was behind the French report on reforming higher education (Aghion and Cohen, 2004) as well as behind the Sapir Report (Sapir and al., 2003) for the European Commission. He also recently signed the so-called Ritzel Manifesto (June 2010), a plea for reforming European universities to make them more competitive by submitting them to a kind of “regulated autonomy

within a quasi-market of higher education and research". If the advocated model (or the result to attain) is the American one, the policy to be followed is actually closer to the English one. The Manifesto is also pleading for a more differentiated landscape of higher education and the setting-up of truly European top-research universities.

Of course one cannot understand the transformation in both the economic literature and the wider policy perspective without taking into account the extraordinary success of the American economy during the second half of the 90s (and the temporary growth gap between the US and the EU) (Artus, 2002; Finegold, 1999). The Californian model and the Silicon Valley became key objects of admiration and tons of papers were devoted to the subject (see Finegold, 1999). The key to vivid rates of economic growth, low unemployment and low inflation coupled with a high degree of innovativeness easily translated into new firms and new products appeared to be a network of world-class universities able to attract the best brains of the World (especially the Asian ones), centered around research, able to select the students and let them pay, constantly put under the competitive pressure of other bright institutions, embedded in a network of other favoring institutions as flexible labor and product markets, very fluid and liberalized capital markets (hence the insistence of deregulating them – Clinton abolished in 1999 the Glass-Steagall Act on banks) – with a key importance of stock markets instead of banks. Aghion and other co-authors rationalized those popular ideas and proposed a new strategy for Europe where the State had to play a key role (as the institutions were not similar in Europe, characterized by various models, the archetypical one being the so-called Rhineland model – the one to be abandoned following those authors) in order to transform the European economy and institutions, from above, in order to converge with the American model (Aghion and Howitt, 2005; Aghion and Roulet, 2011). All these ideas, more or less shared by the social-democratic governments in power at the time (11 out of 15 European governments) led to the so-called Lisbon strategy: "Europe should become by 2010 the most competitive knowledge-based economy in the world". The chosen method was inspired by management and helped in circumventing the limited scope of influence of the European Commission on the education sector: "the open method of coordination". Quantitative targets were set and mutual control (and competition) should ensure that those goals are attained. One of those objectives was the famous 3% rule (3% of GDP spent on R&D, with 1% public and 2% private money).

The Bologna Declaration should be understood in this context. Signed in 1999 by 27 countries, it now encompasses 46 countries on a scale larger than the European Union. It was preceded by a Sorbonne Declaration signed by 4 ministers of Higher Education (France, UK, Italy and Germany, 1998) and inspired by the so-called Attali Report (here again we find the influence of French advisers). Its stated objectives were clearly to reinforce the visibility and competitiveness (attractiveness) of the European Higher Education systems – by fostering institutional compatibility and structures (BA-MA-PhD on the same time-scale 3-5-8) and by fostering mobility of both students and professors. Some key ideas of the 90s (modularity, letting the student build his own curriculum) were also embodied as the official

recognition of ECTS. Quality, accreditation and evaluation were also key issue and the signing of the Bologna Declaration launched a movement of reforms everywhere in Europe. First the structures and curriculum were concerned. During the second half of the 2000s and for the next decade (as Bologna has been prorogated to 2020) issue of external and internal governance were more central: it was necessary to make universities more autonomous, making their funding more conditional to specific targets, transforming their governance to correspond more to the one of the private sector. Here again we find the strong influence of the English model which also faced the introduction of quasi-market mechanisms, the professionalization of the internal management and the reinforcement of the power of Vice-Chancellors. The French reforms (from the L.R.U. in 2007 to the decree concerning the statute of the so-called “enseignants-chercheurs”) were perfectly in the line of this movement. The creation of an European Space of Higher Education and soon of Higher Education and Research was a key objective. The Bologna agenda soon coalesced with the Lisbon Strategy, and between 2003 and 2005 universities were viewed as central actors of the new strategy. The Communication of the European Commission to the Council and the Parliament concerning “the modernization agenda for European Universities” (2006) was a key document illuminating this evolution. Here also quantitative targets were set (40% of a class age 30-34 should possess a higher education degree by 2020 and 2% of GDP should be spent on “modernized” higher education institutions).

The effects of the worldwide financial and economic crisis of 2007-2009 (affecting European growth mainly during the second semester of 2008 and first semester of 2009) led to various responses on the continent. Some countries chose for severe cuts as Latvia, the UK, Italy or Greece. Others as the key countries of the Euro area as France and Germany preferred maintaining the level of public expenditures on higher education but introduced nevertheless important institutional changes in the direction of more elitism (see the French “Grand Emprunt” and the decision to “pick up the winners”; or the German Elite-Universitäten initiative). The period 2007-2009 was certainly central in the history of French reforms as the principle of autonomy of universities was introduced coupled with a reduced Board, more power to the President of the university and the principle of evaluation of every teacher-researcher (“enseignant chercheur”) every 4 years by the Conseil National des Universités. Some authors (Deer, 2002; Demeulemeester and Deer, 2004) have shown that the very institutional structure (“elaborative structures” to quote Archer, 1979) of the French model, with its high degree of centralization, made reforms more difficult. Any change had to be implemented from above and risked to face an overall opposition (e.g. in terms of strikes, demonstrations). The English structure, much more decentralized with no such a thing as a “civil service of higher education” allowed the State to play one group of actors against the other (top research universities against teaching institutions, sciences against humanities...). This was reinforced both by the decline of the public funding (reinforcing competition and non-cooperative behavior) and the quasi-market mechanisms such as the R.A.E. The various reforms launched by Valérie Pécresse succeeded despite heavy opposition, and allowed now the same mechanics as in the UK. The State will be able

to re-orientate all the system towards the objectives it favors the most: competitiveness, employability and useful research (hard sciences, applied science, engineering).

### **Policy and Justice: is there a link?**

It seems rather clear from the short description above that a utilitarian agenda predominated in most evolutions. Utilitarianism is a key political and social philosophy in Western societies (Laval, 2003). Appearing at the end of the 18<sup>th</sup> century (even if utilitarian arguments were certainly put forward well before that period) with Bentham and later on (mid-19<sup>th</sup> century) with J.S. Mill (1806-1873), it gives a criterion to assess the rightness of a policy, either social or economic: “achieving the greater good for the most amount of people” (Bentham, 1748-1832). The Benthamite view proposed to assess any policy in terms of its net impact on the aggregate well-being of the society. It means maximizing the well-being of the largest number of people but not all people. Minorities can easily be sacrificed in this view (“Gemeinnutz vor Eigennutz”). The computation of the sum of pleasures and pains is in itself an issue (Bentham considered it as a kind of summation of net utilities) as well as the mere measurement issue. The “felicific calculus” is in itself a large debate, echoing in contemporary economics (see Sen, 2009; Fleurbaey, 1996...). Besides the more fundamental discussion about the relevance of such a criterion (one can easily imagine that drugs that favor a feeling of well-being could be an optimal policy), issue of measurement are central. As the utilitarian calculus deals with large numbers (society at large), the issue of interpersonal comparisons of utility can be eschewed as large groups can be considered as more comparable in terms of average psychology than individuals. Considering the practical implementation of the criterion, Vergara (1992) stressed that it is quite easy to find “variable of substitution” (for happiness) in each specific case under scrutiny. In economics, authors tend to consider that the overall consumption level is the maximand (Smith, 1776). Later on, this objective has been replaced by production (GDP) and more specifically by economic growth (despite large debate around the link between happiness and growth, see Layard, 2006). In this perspective, an economic policy should be preferred to another if it allowed a faster rate of growth. Growth appeared as a key variable as it seems to imply all the subsequent goods as high levels of consumptions, reduction of poverty, employment, health, schooling. It should nevertheless be pointed out that since the 60s a debate existed around the correct measure and if the growth of GDP alone is sufficient. Sen proposed the so-called Human Development Indicator (HDI) in relation with his overall philosophy on capabilities. One country at least (Bhutan) proposed the introduction of the so-called Gross National Happiness (GNH) (Brooks, 2008).

The official texts of policy makers stress the role of fostering growth, competitiveness and employability. Since the mid-90s the EU documents often also stress a responsible and active citizenship (from the White Book in 1995 to the recent communication of the ministers of higher education launching in 2009 the Bologna 2020 initiative) as an objective – but the way to attain this objective are viewed as similar to the ones needed to be

employable on the labor market (necessity of reforming the current education system, making more modular, more adaptive, more centered around the student, stressing problem-solving abilities and “learning to learn” rather than “learning contents”). It does not change the central philosophy where higher education is a tool for something else (a socially desired outcome –growth, innovation, entrepreneurship, active democracy or social cohesion).

Social cohesion could be viewed as an equity objective by itself, separated from utilitarian considerations. It is clear that the European perspective (as well as the English) one is strongly influenced by a Rawlsian perspective. It tries to combine the traditional defense of the key (political) freedoms with an eye on the possible positive side effects of an efficient degree of inequality and a sense of (social) justice. Rawls (1971) defined a “just society” as one that (given its due respect to the various “reasonable” conceptions of a good life and the desire to give everybody the possibility to realize this project) develops institutions redistributing social primary goods in an equitable way between its members given their different endowments in natural goods (Arnsperger and Van Parijs, 2003). Rawls put forward (in a lexicographic ordering) three principles defining an equitable distribution of social primary goods: principle of equal freedom, principle of equitable equality of opportunity and a principle of difference. The latter principles led him to propose the so-called maximin, i.e. maximizing an index of socio-economic advantages for those in the worst position in the various institutional framework under scrutiny (in a lifecycle perspective). Of course, inequalities can be accepted if they contribute to maximize the life chances of the worst off, conditional to the higher principles (as equality of opportunity, ensuring to everybody, equally talented, the same possibility but not probability to access a given social position). This very perspective led to a central consideration for the worst off (the excluded, the poorest) and a desire to combat all inefficient (as well as unfair) discrimination based upon sex and racial origins. We find echoes of this perspective in the very first report of the European Commission (as the EU White Book *Teaching and Learning. Towards the Learning Society*, 1995):

“Positive discrimination in favour of those at a social disadvantage is essential, particularly in the problem suburbs and inner-city areas... These areas must benefit from increasing public aid and the concentration of institutional means... They should be given the most highly qualified teachers using new information technology” (CEC, White Book, 1995, p. 46).

Besides these arguments, one can also find the echo of an ultra-liberal philosophy coupled with some post-1968 anarchic perspectives (anti-institutions). One can very often find arguments stressing that the current (very institutionalized) organization of education (and especially higher education) led to an exaggerate degree of rigidity, being both inefficient and often socially unjust (as those excluded at the beginning of the education track can never come back and are excluded from the good positions and even of employment). The Bologna philosophy itself is centered on a modular perspective (with the ECTS accumulation

perspective). The idea here is not an institutionalized curriculum built by state authority that is central for an efficient learning outcome but rather free and rational students who, as rational decision makers, can take the best decisions and build their own curriculum (one can also find such an argument in the recent English Browne Report). The very concept of degree is also sometimes attacked as in the White Book (1995, p. 33: “a worker’s occupational status is in many countries defined by the diploma held. This link between paper qualification and status, however logical it may be, accentuates the internal lack of flexibility of the labor market”).

Linked with the central role given to individual choice is also the debate around tuition fees. Free market economists as Milton Friedman dislike state subsidies as they perturb the price signals and can lead rational agents to make the wrong decisions. This is an efficiency debate. But it is also often linked with an equity debate about the possible adverse redistribution coupled with the public funding of universities. One can often find in the British literature (from *The Economist* to N. Barr more scientific papers; see Barr and Crawford, 2005) the idea that students are on average from better social strata than the average taxpayer, and that they can expect to earn much more than the average citizen. There is of course all a debate around the externalities (Lucas, 1988), but those analysts tend to stress the rather vague and not measurable character of those social benefits (whereas the private benefits are certain). This is the line followed in countries like England where the government chose for higher fees. It is not however a general trend – Germany choosing for example (as Austria before it) to abolish fees (e.g. in Northern Rhineland).

Student associations (as the FEF in Belgium) tend to stress a “right to higher education” not so dissimilar from the Human Right perspective. As Condorcet at the end of the 18<sup>th</sup> century advocated the necessity of basic education for all citizens if one wants them to exercise their fundamental rights (and if one wants that human right philosophy was not purely formal), those students associations also consider the right of being highly educated as a kind of human right, part of the “duties of Justice” (Pufendorf) of the State. As any human right is one of the basic conditions of existence of societies in a peaceful and ordinate state, the State is obliged to create and support and fund the institutions required to ensure that everybody enjoys this very right. In this perspective, open access to university is a right and it should be provided by the State. It can be emphasized here (see the recent PhD by Charlotte Le Chapelain on this topic; Le Chapelain, 2010) that Condorcet had actually a broader vision of education, coupling open access for all at the lower stages of the system as a basic condition for citizenship with a certain elitism (open access being a precondition to identify the best scientific talents to be supported and nurtured for the benefit of all the society). In his view, scientific elite should be allowed to pursue higher education, the majority of people receiving instead a professional or vocational education. One can find a similar perspective in the contemporary EU higher education policy (see the Modernization agenda, May 2006) advocating both larger participation (40% of a class age 30-34) with

reinforcing elite institutions and “top of the top” research in order to favor innovations, new products and by the way European competitiveness (see the Sapir’s report, 2003).

### **Some concluding remarks**

This paper is just the beginning of a research project that should ideally first end up in the form of a book. We try to locate the (yet not so) recent evolution of the higher education systems in Europe in the set of ethical theories. We have here first of all identify the nature of these reforms, stressing their revolutionary character and the break with the existing Humboldtian model of a university protected by the State funding from the short run demands of society (economic or political ones). The Humboldtian model was set up in Prussia in the early 19<sup>th</sup> century and was part of a broader, dual, system of higher education where schools received the task of educating the economically useful trades (as engineering). At the difference of France however, the prestige was on the side of the renewed universities, coupling higher education and research (De Meulemeester, 2012; Renaut, 1995). They were more centered on the “pure disciplines” (even if law and medical schools were part of the universities), and shared an anti-utilitarian ethos (mirroring an elitist and aristocratic society). This university survived more or less (despite the massive expansion of higher education after WW2 and the large diversity of models) up to now – even if one can think that since the 60s, the motivation of both the students and the policy makers changed. With the massive expansion of higher education, a majority of students was more and more looking for a vocational or professional qualification, whereas government accepted to fund the expansion because they strongly believe that a more and more technologically developed society will require more educated workers. The crisis of the 70s will mark the end of this conviction as the massive investment in higher education after WW2 did not impede the crisis of the 70s (growth rates halved, unemployment rose). The 80s saw the reemergence of right-wing neo-liberal governments cutting public expenditures on higher education, while opening up the borders to international competition. The reduction of the size of the civil service in many countries and the increased competitive pressure on firms (by the way on the labor markets) led to radical changes in the perceptions of both students and policy-makers regarding universities. Students desired more and more useful and vocational studies (see the rise in business education, Easterlin, 1995), and the States were more and more influenced both by economic literature (the new endogenous growth literature) and the lobbying groups from the private sector. Time for a change was coming and a true revolution happened. The old Humboldtian model was slowly abandoned, schools were re-united with universities in a new sector of higher education that was more and more thought in terms of its economic (and perhaps) social impacts. The new vision was clearly utilitarian and had a very instrumental view on higher education. The old age of independence was ending and higher education was mobilized to attain objectives of innovation, employability of graduates and of fostering economic growth. Reflecting the vision of the time, the reinforcement of external control on universities was intelligently sold through messages of autonomy and



competition. It was however a regulated competition where the State allocated more and more scarce funds to institutions conditionally upon the attainment of specific targets. The logic of competition for scarce funds and of systematic evaluation generalized. It was not in our view the realization of a ultra-liberal agenda (even if one can identify some elements of this current in the reforms – as the anti-institutionalist perspective on degree and curriculum and the plea for free choice) but rather a utilitarian agenda pursued by the State, using some market mechanisms (more explicitly quasi-market mechanisms) to foster growth, employability, social cohesion and an active citizenship (even if the two former objectives come more to the fore).

For the academic profession, it was a period of decline in terms of both autonomy, statute and bargaining power. We can find here the echo of some equity argument (even some echoes of Natural, Human rights arguments): as professors are publicly compensated, they have to be accountable. As the Germans put forward: “wer zählt ist der Meister” and the utilitarian agenda of reforms was also presented as a realization of a concept of social justice. The large debate in France around the L.R.U. (2007) and the individual assessment of professors was clearly nourished by opposite arguments but advanced in the same utilitarian perspective. Professors tend to defend the old academic independence as a better way to foster innovation and contribution of universities to the common goods. It seems however that such “Humboldtian” argument were not more sellable at the time. Being civil servants it became increasingly difficult for them to resist the argument that universities are just tools to promote economic and social policies decided by policy makers reflecting the desires of the majority of the population.

Related debates on open access and on tuition fees were also quite widespread in Europe (the more so with the economic crisis of the late 2000s). Actually, the dominant view of policy makers is one of “elitist and differentiated massive expansion of higher education” (this appeared quite clearly in the Ritzen Report of June 2010). More and more students should be admitted to higher education but in more and more differentiated tracks. The traditional (research-led) university education will tend to be restricted more and more to the best and brightest (again following a utilitarian arguments). Parts of the discourse of student associations are received but certainly not the idea of a right to access higher education. Paying higher fees seems to be a trendy idea (again linked with economic arguments and social ones as well – the reverse distribution arguments) – even if not everywhere. It is however quite difficult to disentangle equity from efficiency arguments as paying higher fees is also viewed as a way to foster more rational economic calculations on the part of the students.

Last but not least one can find some echoes of a Rawlsian perspective with the idea that no discrimination should impede bright students to access higher education (either based on gender or race). Here again, equity and efficiency are closely linked, as many policy-makers tend to view skills and competencies as the scarce resources and so no wastage could be

tolerated. Globalizing higher education is also part of this policy to attract the best brains of the world in one's country universities.

Utilitarianism seems therefore be the dominant philosophy governing the reform agenda in Europe these days, despite some departures (appearing in the end not so far away from utilitarian concerns).

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