

## Universities on the Market

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## Universities on the Market

### Academic Capitalism as a Challenge and a Window of Opportunity

*The modern university and the academic profession itself are facing new challenges: First, the increasing complexity of labor markets and globalization are undermining the structure of the academic profession, and secondly, the rise in cost of university research calls into question the autonomy of the university. The internationalization of the academic labor market encourages rethinking the structure of academic professions that have historically been focused on national (regional) contexts. The university is too expensive for the state and/or for students. One way to preserve the autonomy of the university is to offer society, the state, and businesses a wide range of services. This study seeks to answer the following questions: Can bureaucratic (self-)management effectively regulate the growing body of the university? Is it necessary to relinquish part of the university's autonomy to a hired manager? Can "soft managerialism" and new economic instruments help unleash the modern university's potential for society and sustain its autonomy?*

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## **Introduction**

Universities experienced a crisis in the early nineteenth century. If in 1789 there were 143 universities in Western Europe, then only 83 remained by 1815. Over that time, 24 universities had been eliminated in France, and another 12 were transformed into more narrowly specialized institutions of higher education. Of the 34 German universities, only 18 were left, and in Spain the number of universities had been reduced to 10 (Rüegg 2004, p. 17; Andreyev 2009, pp. 331–350). If there were academies where scientists could focus on their research, then it seemed that only one function was left to universities: teaching. However, the process of actively establishing national educational systems totally reshaped the original idea of the university, which had its roots in the Middle Ages. As many may already know, the idea of university reform was launched in 1810 by Wilhelm von Humboldt (Schwinges 2001). It would go on to be practiced in one form or another by many countries on different continents. It was Humboldt who suggested that the new university in Berlin should be founded on the principle of the unity of free teaching and research. The underlying political reason for the adoption of this idea was that the state would take a selfless interest in research, because the fruits of this activity would benefit all citizens. During the next two centuries, organizations that combined teaching and research have demonstrated their institutional resilience. In many countries, they have become important centers for the reproduction of elites, the modernization of society, and intellectual innovation.

Despite their claims to unlocking universal knowledge, universities are essentially rooted in local and national contexts. The globalization of the modern economy as well as the expanding scope and toughening competition in the education and research industry have presented new challenges for the university as a specific institutional organization. The university has become too expensive for the state to financially back all of its needs to the full extent. New economic opportunities that are opening up for the education industry are making the university very dependent

on the external market environment. At the same time, the university is becoming such an important player in the economic life of the state that it seems that the walls of the ivory tower have come crashing down, leaving its inhabitants without protection from global financial headwinds.

Modern universities, which have been forced to diversify their revenue sources, are introducing new forms of administration that have been borrowed from corporations. And academics, in turn, have also been prompted to change their professional behavior in seeking to better adapt to an increasingly market-driven university environment.

In this paper, I will try to show that, first of all, the so-called “soft managerial” approach is not only compatible with preserving academic freedoms, but it also, more importantly, can help to strengthen them in those education systems where these freedoms have been limited by bureaucratic regulations. Secondly, it is worth noting that modern challenges have not only not deformed or eroded academic professions, but, on the contrary, they have stimulated their development. They can even act as the drivers of innovation in those academic systems where self-regulatory functions have been weakened and the expert authority of academia has been questioned by the state and society.

### **Organizational autonomy, professional self-regulation, and academic freedoms**

Professional life has only relatively recently become the subject of academic studies, and the initial desire of researchers to identify the essential characteristics and signs of professionalism has been transformed into criticism of this social phenomenon. During the 1960s and 1970s, professions began to be regarded as monopolistic groups that advance their own interests to the detriment of the public good (Larson 1977). Modern social science studies of professions have come to concentrate on the structural and cultural aspects of the institutionalization of expert knowledge (Abbott 1988). The recognition of the importance of the cultural context to how professions develop has prompted

specialized studies of professional communities in selected states and regions (Perkin 1989; Cocks and Jarausch 1990; Kimball 1996).

In the sociology of professions, a profession is understood to mean an intellectual activity whose practice requires a specialized and systematic education and full employment. In addition, researchers have classified a number of criteria for determining the specific characteristics of professions. These include a monopoly on the provision of professional services and self-regulatory functions. We can offer both a broad and a narrow definition of academic professions. Understood most broadly, academic professions include anyone who is constantly engaged in research. Understood more narrowly, the term only refers to those academics who combine their research with the task of teaching students their knowledge. The narrow definition of the term has been used in modern research literature to examine the current state of academic professions (Clark 1987; Altbach 2000; Teichler, Arimoto and Cummings 2013). This definition is thus able to isolate out the “pure” researchers, such as, for example, those who only work in scientific laboratories or academies of sciences where no students are taught. At the same time, the existence of “teaching universities,” i.e., institutions that emphasize teaching to the exclusion of research, can be seen as a symptom of the weakening or dilution of professional academic standards. Thus, the narrow definition of academic professions that has been adopted in the modern literature implies a focus on only those institutions that combine a teaching mission with an active research program.

Insofar as the concept of academic professions is normative, situational studies play an important role, because they take into account the multitude of ways that professional societies are understood in higher education in various national and regional contexts. For the purposes of our article, it is important to outline the interrelationships that exist between professional autonomy, academic freedom, and the state. Over the course of the two centuries of the history of academic professions, they have played different roles in their development. I intend to demonstrate the differences between the following on the basis of several

historical examples: 1) the organizational autonomy of the university, i.e., the ability of the university's authorized body to independently make decisions about the institution's goals and development programs; 2) professional self-regulation, i.e., the right to award degrees and the ability to defend shared interests on the basis of membership in a profession as opposed to a particular institution; and 3) academic freedom, especially the freedom to teach and conduct research. One of the most important academic freedoms is the freedom from repressive or restrictive measures imposed against members of the university that seek to define their ideological and religious beliefs or their gender, ethnicity, and other affiliations.

All of the academic professions are influenced by the national (regional) context in which they are practiced. Case studies of universities in the United Kingdom, France, and Germany have shown that the state can influence the development of academic professions to varying degrees. In the early nineteenth century, scholars at the universities of Oxford and Cambridge, who mainly hailed from aristocratic families, were not dependent on income from teaching. The fact that these faculty members belonged to "closed corporations" and led careers that were independent of the quality of teaching had a clear effect on the educational process. University professors did not have a sufficient stake in improving the quality of education. Rather, they only followed certain common patterns of behavior and maintained specific lifestyles (Engel 1974).

It was up to the state in France and Germany to pioneer alternative models for the academic profession. These governments played a major role in the emergence of academic professions in mainland Europe. The system of higher education that was established in Napoleonic France also defined universities as places for both research and teaching. All university professors were civil servants who were tasked with teaching predetermined course curricula. Thus, academic professionals were denied any autonomy, and academic freedoms were only granted to members of elite research institutions.

The Prussian reformers led by Wilhelm von Humboldt proposed an alternative system to the French one. He solved the

problem that was plaguing the English universities by introducing career stages for academic professionals. Humboldt's main innovation was to deprive the university community of autonomy in questions of professorial appointments. All of the faculty members were divided into two categories: lecturers who received a salary for teaching students and professors who were appointed by government officials from the ranks of the lecturers. Scholars belonging to the professorial rank received a salary from the government, and a decision to accept such an appointment did not have a retroactive effect. The attainment of the position of professor, whose responsibilities included managing the university's research and scientific policy, was understood to be the crowning achievement of an academic's career. In the case of the German universities, part of the institutional autonomy of universities and some of the functions of professional self-regulation were handed over to the state, while at the same time academic professionals were able to enjoy such academic freedoms as the freedom to teach their own curricula and choose their own research program.

Unlike the model of university organizational autonomy, the development of the institution of professional self-regulation is closely tied to the process of holding academic professionals accountable to codes of ethics. One of the first occasions when the ethical mission of academic professionals was given theoretical articulation was in Max Weber's lecture "Science as a Vocation" [*Wissenschaft als Beruf*] (1918). In this lecture, the German sociologist argues that intellectual honesty is the main trait of the academic professional. A scientist may have political preferences, but only insofar as he acts as a private person. Once he sets about lecturing to the audience, he begins to perform his professional duty and therefore must present all available viewpoints to his listeners. The rejection of the priority of personal interests in favor of professional ones is not motivated by principles of corporate solidarity, but by the very nature of scientific inquiry, which seeks to produce neutral knowledge. The tragic events that took place in Germany in the 1930s showed that the

ethics of academic professionalism can be easily compromised by simple political decisions.

In Russia, where academic institutions lacked rich medieval traditions, the state played a critical role in organizing the profession “from above.” Government officials sought to encourage the development of individual scientific fields and to control the content of teaching curricula. This type of organization of academic professions was not conducive to the development of mechanisms of self-regulation and the voluntary consolidation of the academic community. After the 1917 revolution the significant expansion of access to higher education was accompanied not only by stringent ideological restrictions on the freedom of what could be taught, but also teaching was rigidly separated from research (Krementsov 1997).

The opposite trend can be seen in the evolution of the academic professions in the United States. The growth of the academic profession in America, which began only in the 1880s, was accompanied by the active development of professional associations.

The institution of professional self-regulation worked well in the American university environment, which was characterized by a high degree of decentralization. Already in 1915, the American Association of University Professors adopted its “Declaration of Principles” describing the basic tenets of academic freedom. With the exception of the pressure that academic freedoms were subjected to in the era of McCarthyism, we can say that throughout the twentieth century the American academic community enjoyed broad academic freedoms that have undergone substantial refinement through the referral of cases involving the violation of prescribed codes of ethics to a legal procedure. Such formalized procedures have come to be widely observed. In particular, these have included cases of infringement of intellectual property rights (namely plagiarism), discrimination, and sexual harassment (O’Neil 2011).

The above historical overview shows that the successful development of research or education programs has not always been contingent on a power schema where external regulatory bodies

are entrusted with full decision-making authority with respect to the academic realm. The limits and forms of control over the activities of academic professionals have changed substantially over time and from state to state. In analyzing new trends in university administration and changes to the contours of academic careers, we will explore how they may affect the parameters that we have outlined above.

### **Academic capitalism and the internationalization of education**

It cannot be said that the idea of university training as an income-generating economic activity was an innovation of the second half of the twentieth century. It could also be observed that throughout its entire history the university has been closely linked to the circulation of people and knowledge across linguistic, regional, and national borders. At the same time, during the last thirty years discussions about universities have repeatedly mentioned these two developmental factors. It is obvious that these processes have significant economic, political, and social consequences, so the discussion is significant to both society and the state as well as to the academic professions themselves. It is important for us to understand how the university functions in market terms because this reality is often not included in public descriptions of the university. We need to break down these metaphors; they can be difficult to make sense of because they reference such a broad range of phenomena.

The term *academic capitalism* was first used in a literary context. In the book *Academic Capitalism and Literary Value*, the literary critic Harold Fromm criticized his colleagues for using this postmodernist deconstructionist device to achieve their mercantile interests (Fromm 1991; for more information, see Bullard 2007). The concept retained this negative connotation in Sheila Slaughter and Larry Leslie's *Academic Capitalism: Politics, Policies, and the Entrepreneurial University* (Slaughter and Leslie 1997), which was released six years later. They concluded that since the 1970s and 1980s the expansion of the global

economy and neoliberal policies have changed the nature of academic work at universities in such countries as the United States, Canada, Australia, and England. The authors claimed that the policy of shifting financial responsibility for the welfare of universities onto the universities themselves that was adopted by the governments of these states forced the academic profession to increasingly adopt market mechanisms. The authors expressed their concern about the process by which national educational systems have been transformed into an industry, which has concentrated most of the financial and human capital in higher education. The study turned out to be the first in a whole series of books that has criticized the new state of affairs to varying degrees (Drahos and Braithwaite 2002; Bok 2004; Slaughter and Rhoades 2004; Weisbrod, Ballou, and Asch 2008).

The use of such economic metaphors as “commercialization,” “commodification,” and “industrialization” is tied to the idea that the “income” that has been generated by knowledge production has been appropriated and apportioned unequally. The use of these terms is also associated with emphasizing the “alienating” nature of the labor that is performed under the new university model.

This kind of criticism is probably not only grounded in the practice of universities, but also in the changing views of education as a specific kind of economic good. As Simon Marginson has noted, it should be recognized that higher education is not only a public good that is subject to non-rivalry and non-excludability, but that it also brings private benefits that are enjoyed by the person who received it (Marginson 2007). Moreover, the model of higher education as a public good is also open to criticism. Often it serves as the basis for socially oriented countries to proclaim the need to provide their citizens with free access to higher education. In reality, however, access to it is distributed unevenly among the population. Well-to-do and privileged socioeconomic classes have always had more opportunities to educate their children at state expense because they are able to give them better primary and secondary educations that prepare them for college.

Economic globalization has allowed universities located in developed economies numerous opportunities to commercialize education, such as the option to accept tuition-paying students from new rapidly developing regions. For example, starting in 1990 the Australian government encouraged its universities to focus on the market of international students. By 2004, a total of 228,000 foreign nationals were enrolled at Australian universities, representing a quarter of all enrolled students in the country, and the income generated from these students has become one of Australia's main export categories (Meek 2007, p. 73).

The globalization of the knowledge economy is closely linked to the internationalization of higher education. However, the terms "globalization of the knowledge economy" and "internationalization of higher education" should not be regarded as synonymous, because they describe different processes. We will highlight two of the many strategies that have been used to define the internationalization of higher education. The first, which was proposed by Jane Knight (Knight 2006), describes the internal changes that are taking place at the university. According to the author, the following four aspects must be kept in mind when describing international higher education: 1) the activity component, including the international exchange of students and teachers, education abroad, and international development projects; 2) the competence component that emphasizes developing skills, knowledge, perceptions, and values; 3) the ethnic component, which is manifested in a "campus life culture that promotes internationalization;" and, finally, 4) the procedural component, which reveals how teaching is integrated into the international practice of research and the technical support of this process.

Another strategy for understanding the internationalization of higher education first and foremost emphasizes the political and ideological sides of this phenomenon. According to this approach,

internationalization refers to specific policies and programs undertaken by governments, academic systems, institutions, and even individual departments to support student or faculty exchanges, encourage collaborative research overseas, set up

joint teaching programs in other countries, and to engage in a myriad of other initiatives. (Altbach 2006, p. 123)

Both approaches emphasize the intensity of the process of educational internationalization that has been undertaken recently and the scale of its impact on all areas of life. Though there may be differences in the way that these developments have been described, all of the descriptions represent departures from the belief that the internationalization of education is primarily an ideological process. Today, the understanding of the economic pragmatism of education has become primary. There is no single trend in the international or inter-regional integration processes in education, which have revealed extreme inequalities in the positions of national systems. For example, it cannot be said that all education systems around the world are being reformed after the dominant American education system. Despite the fact that the leading American universities are presented as the “gold standard,” and the academic system in the United States produces the most publications, patents, and citation indexes (Finkelstein and Iglesias 2013), we cannot simply characterize the process of the internationalization of higher education as Americanization. The integration of the educational systems of various regions, such as the Bologna Process in the European Union, is taking place against the backdrop of broader processes. Regions that until recently had a barely noticeable impact on international education are now starting to play increasingly significant roles in global academia.

Researchers are paying increasing attention to the rapid growth of the BRICS countries (Karnoy [Carnoy] et al. 2014). These countries are undergoing similar processes to revise the understanding of education as a public good by redefining it as a private one. The high level of economic return that can be achieved through education has stimulated both public funding and private spending by students and their families. Increasing the level of funding for education and expanding the ability of large groups of the population to access it has proven to be beneficial to both society as a whole and to the ruling elites,

who gain legitimacy in the eyes of society thanks to this process. Globalization and the ease with which students can obtain an “international” education increases the number of students who are ready to “vote with their wallets” by enrolling in a particular university (or, more broadly speaking, by choosing a particular university system) in anticipation of receiving a higher salary thanks to their higher education in the future. Although the BRICS is composed of countries with historically different traditions of higher education, the individual states in these countries are playing an important role in popularizing higher education and in controlling the quality of education. University rankings have proven to be one of the most important tools of the higher education policy that has been conducted by these states. This is the most noticeable in the university systems of China and Russia, although a similar logic can be seen at work, for example, in Germany. In each of these countries, there is a group of elite universities that receive significantly more funding than less prestigious institutions that are outside of this group. In recent years, this inequality has increased significantly.

The policy of selecting and cultivating elite universities has become associated with the advent of international university rankings, and their popularization is being motivated by a new push toward internationalizing education. The ranking of universities, which was initially conceived as an independent tool to measure the quality of universities as organizations devoted to education and research, started to be used by the beginning of the twenty-first century as a powerful lever to exert pressure on national education systems at the international level. The emergence of international rankings and the establishment of new quality standards have led many universities to plan programs to catch up and step up their search for new competitive advantages in recognition of the fact that they are members of regional and global contexts (Hazelkorn 2014). In addition, the creation of international rankings has activated the specific competitive reflexes of the governments of many countries. Governments understand world-class universities to be more than just institutions that provide their countries with highly qualified specialists

that ensure the strong economic development of their nations. By possessing such a university, a country is able to maximize its political legitimacy and fulfill ambitions of becoming a notable player on the world stage. The desire to enter the global rankings motivates the academic community of a university to participate at the global level. Despite the fact that the ability of the academic community to influence these processes has remained low, it is very important for those who govern the university to have a high-quality and well performing academic faculty.

These processes have presented new challenges for members of academic disciplines in those countries where universities lack a strong research program and/or have had no tradition of using English as one of their basic languages of scholarly communication. As the study *University Expansion in a Changing Global Economy: Triumph of the BRICs?* (Karnoy [Carnoy] et al. 2014) has shown, this process of educational internationalization has been a cause of inequality within the national academic system. In particular, countries such as China and Russia are experiencing a growing gap between universities or colleges for the masses, where the vast majority of students study, and “world-class” elite research institutions.

### **How should the university be managed? Using self-governance, bureaucrats, or managers?**

Universities in the developed world that have been faced with declining state support were the first to feel the need to raise funds independently. Burton Clark’s classic study provides a retrospective review of the success stories of five universities that were faced with the problem of limited state funding and decided to focus their strategy on developing their offerings on the free market for educational and research services (Clark 2011). According to Clark, a “strengthened administrative core” has played an important role in bringing about these changes. He shows that when the university goes through difficult times the professors who are responsible for collectively administering it are reluctant to take risky decisions and will seek to maintain the

status quo. According to Clark, a strong administrator who is free to act independently of governance bodies may be able to act as the driver of changes by taking on the role of intermediary between society, business, and members of academia.

The emergence of new types of employees at universities, including managers specializing in the administration of academic institutions, has sparked sharp debate. This is understandable. As the university is transformed into a large organization, its administrative apparatus experiences extensive growth that can exceed the faculty expansion rate. For example, in Finland, which has been blessed with well performing academic institutions, the number of instructors and administrators increased by 5.5 percent and 39 percent, respectively, between 1987 and 1992 (Visakorpi 1996). A new phenomenon, which has been named “soft managerialism,” has tried to arrogate a part of the autonomy of the academic profession to itself, and it has adopted the guise of academic professionalism. Let us take a closer look at how “soft managerialism” has affected various areas of academic freedom.

The organizational autonomy of the university lies at the heart of the debate surrounding “soft managerialism.” The concept of “soft managerialism” proposes that the university be managed using methods that are similar to the ones that are used to run a commercial organization. It is opposed to the idea of the institutional autonomy of the university that is founded on the principles of peer governance. In this case, the university administration is perceived as being a necessary evil. The duty of administering universities has been considered an honorable burden. Thus, for example, during the nineteenth century faculty members would be appointed to the post of rector at German universities for short periods of time. It was assumed that through frequent rotation the administrative burden would be spread evenly among the main representatives of the university.

One trend that seeks to overturn traditional administrative models is the so-called “privatization” movement. This is a situation when the university administrators seek to extract the maximum amount of profit from the organization, though not with the aim of investing this revenue into the institution’s further

development, but rather distributing it among a narrow circle of people. The administrators of more than just a few universities have been suspected of trying to implement a “normal” managerialist policy. Indeed, the modern university landscape contains cases of universities that are explicit commercial enterprises. One example of this type of institution is the University of Phoenix in the United States (Tierney 2006).

However, it is impossible to trace a direct relationship between the trend to establish a strong administrative core at the university and privatization processes. The main task of the entrepreneurial university as a nonprofit organization is to expand the competitive range of its “goods and services.” In this regard, soft managerialism (which is termed soft because, unlike conventional managerialism, it does not seek to maximize profits) is pretty close to the model of peer governance by professors, but it employs different motivational strategies. If in the first case the stated mission is to follow market mechanisms to provide consumers of a university education with the means needed to secure a job, then the second model seeks to facilitate scientific inquiry to the greatest extent possible. Here the fruits of knowledge are understood not as serving a narrow utilitarian goal but the broader public good.

Nevertheless, it seems that constructing such an opposition between these two models is more intuitive than anything else, because in many cases the real dilemma lies elsewhere. The real alternative to managerialism is bureaucracy, which proposes that the state is the main guarantor of the public good. In many European countries and in the BRICS countries, university administrative practices are regulated by local governments. Through various departments they exert control over admission requirements, the amount of tuition fees, the student-to-teacher ratio, and even course curricula for individual programs among other aspects of the university. The bureaucratic administration is more focused on maintaining the prescribed standards. This system certainly has its advantages if these standards are high and funding is sufficient enough to implement them. In such a situation of abundant resources and high standards it would be

preferable for the university to be governed according to the bureaucratic form of management than the business model. After all, the latter relies on aggressive market behavior and the undertaking of a substantial degree of risk. Moreover, the decisions that are taken by administrators under this model may in fact totally fail to benefit the university. However, one cannot help but note that the belief in a state that will always be able to provide what is needed to maintain a high standard is poorly grounded in actual experience. In addition, under the bureaucratic model academic faculty members are substantially limited in the tools that they can use to influence university administrators. At the same time, the state, as the main user of bureaucratic management methods, has very limited tools that it can use to measure its effectiveness.

With the change in rhetoric that is used to discuss the university, there has come the recognition that legitimacy can be based on the granting of private benefits. This new rhetoric, which emphasizes that the needs of the individual student are primary, has replaced claims about the supremacy of free scientific inquiry as well as traditional academic criticism and skepticism. The student is now no longer regarded as a junior colleague in the search for the truth (a role that is fitting for the research university) or as a future skilled builder of a common society. The student is now first and foremost a customer and the end consumer of educational services. Academics, government officials or representatives of industries are no longer the only or even the preferred advisers who can provide answers to questions about the relevancy of a particular education. Now the students themselves are assumed to already know what they want. The strategy that is used to legitimize academic disciplines is changing, and this is resulting in changes to curricula and even the design of entire academic disciplines. Thus, we can say that the managerial style of administration has had a significant impact on decision-making with respect to professional self-regulation.

Self-regulation in academia has been traditionally practiced in a rigidly hierarchical fashion. According to Maurice Kogan (Kogan 2007), professors occupying the upper echelons of this

system perform two important functions in the organization of academic disciplines. Within the professional community they are responsible for the allocation of resources that are needed to fund promising research and to prepare the next generation of researchers. They have been delegated with the responsibility of establishing and implementing teaching and research norms in their field. Outside the university, the professor is treated as a person who is a leader in his profession and a key expert in a particular field. These people, according to the logic of professional self-regulation, should be able to justify their expert autonomy by demonstrating the importance of their field to the public welfare in the eyes of the government and society.

The ability of professional fields to fully regulate themselves is denied by governments in a number of nations. For example, in some former socialist countries a special government agency still regulates the awarding of academic degrees. In addition to fighting for the right to self-regulation and autonomy, professional associations lobby for their own group interests. Academic professional associations are not much different from other professional movements in their ability to fight for their own interests. Their ability to influence others is tied to their readiness to take collective action and to find support and sympathy from other political players in society.

Administrators must bridge two worlds: They must, on the one hand, know and understand the ins and outs of academic life and, on the other hand, they must be sensitive to market trends, predict demand for new products, and be able to oversee the creation of these products. Despite their talents, they remain dependent on their main resource: the members of the academic profession, whose behaviors are affected, in turn, by changing trends. In particular, academics need to know more than just how to prepare a project. They must know how to monetize it. This requires mastery of a number of special skills, such as how to draft contracts, file grant applications, and conduct distance learning programs. They also need to be active in their disciplines at the regional, national, and international levels and serve on expert bodies and councils. All of this is changing how academic fields are legitimized in the university. If previously it was considered

weak or immature for members of a particular discipline to claim mastery of other fields of knowledge, then now, on the contrary, interdisciplinary studies are recognized to be drivers that advance knowledge. Entrepreneurial universities that are in search of new niches and specializations have achieved success by expanding into those areas and social topics that previously had not been studied in a university setting. As a result, the universities themselves have become not only hierarchically differentiated, but internally heterogeneous, which actually helps them to maintain their academic freedoms.

At the same time, we can say that the changing position of the university, whose activities are becoming more transparent and dependent on various regional, national, and international actors, does not affect the status of academic freedom itself. In a globalized economy, the university as a place where learning and research take place is capable of concentrating its extensive financial resources and harnessing substantial sources of revenue. The understanding that universities compete with each other is an important factor that is prompting changes to the policies governing universities. It has forced them to pay closer attention to how they recruit administrators and compete for the best professors. Conversely, the increasing importance of hosting “world-class universities” for countries that govern their higher education system in a strictly bureaucratic way puts academic faculty members in a stronger position to argue for greater autonomy. In particular, such universities can only be achieved by allowing academic faculty members to participate in the larger international system of expert and peer review.

## **Conclusion**

Should research be separated from teaching in higher education? Entrepreneurial approaches to managing universities provide an unambiguous answer: The combination of teaching and research represents a key factor that contributes to the development of the modern university. In this respect, the most recent decades in the history of universities can be interpreted as a triumph for the academic profession. At the same time, new benefits have brought new

challenges. The popularization of higher education is expanding the number of people involved in teaching and research. On the one hand, the diversified demand for education of different quality levels is providing equality of access and perhaps even leading to schisms within the academic profession. On the other hand, this factor is increasing the level of competition for places at top-ranked universities.

The global mobility of students, teachers, and researchers benefits the strongest universities in the academic world. It is easier for the best universities to attract the best instructors. However, the heightened sense of competition, which has only been intensified by the popularity of rankings, is forcing second-rank universities to seek their own niche and competitive advantages as well as to establish a unique profile for themselves. The competition for the best professors has another side, namely competition between professors. It is no longer enough to be a good researcher and passionate teacher. You have to be noticeable in order to attract the attention of a variety of audiences, ranging from colleagues in your field to potential investors. The diversification of academic activity increases the number of responsibilities that academics have, but it also makes their lives all the more stressful. All these factors provide members of academic disciplines with greater independence. However, the implementation of new practices leads to new problems. New questions arise: How can members of academic disciplines stay unified as universities become more stratified, and how can the university keep itself from falling apart as different departments are presented with new ways of commercializing themselves and when one academic unit of the university turns out to be subsidizing another?

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