Universities’ direct subordination to capital’s accumulation

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Main objective

◊ Understand how universities are directly contributing to capital’s accumulation:
   ◊ Global capitalism’s transformations
   ◊ Universities’ internal transformations: knowledge’s production relation must be transformed into a capitalist production relation
   ◊ “External” transformations: universities’ adoption of private enterprises’ characteristics, understood as a differentiated process
Global capitalism’s transformations

- The engine of capital’s accumulation is technical change’s race. Hence, INNOVATION is central.

- From haphazard innovations to a cumulative causation innovation process

- Monopolizing innovation’s capacity leads to capital’s differentiation.
Individual capital’s differentiation

Apple Inc.’s new doughnut-shaped headquarters in Cupertino, scheduled for completion in 2015, features massive curved glass walls and its own power plant. The company has released new details of the structure.

**SITE HIGHLIGHTS**

- **EAST HOMESTEAD ROAD**
- **Corporation Fitness Centre**
- **Corporate Auditoirum**
- **Parking Structure**
- **Research Facility**
- **Central Plant**
- **San Francisco**
- **Cupertino**
- **San Jose**
- **Los Angeles**
- **San Diego**

**BY THE NUMBERS**

- **70.8 hectares** total site area
- **2.82 million** building space, in sq. ft.
- **12,000** employees
- **4** stories
- **4,600** parking spots (underground and on site)
- **17.4 metres** maximum parapet height
- **300,000 sq. ft.** of research facilities on site
- **1,000-seat** corporate auditorium

Other amenities:

- Cafe
- Corporate fitness centre
- Bicycle parking at each entrance
- On-site electrical generation plant
- Ample green space inside and outside the perimeter
From GVC to Production Subsystems

◊ Planning means that the enhanced capital company decides the kind of product, its quantity, and the production technique that the other enterprises under its domain will use.

◊ It also defines clauses of exclusivity, commercial credit conditions, quality standards and other regulatory matters

◊ Enhanced capital enterprises increase their rates of profit through reducing capital commitment, a process that has been named outsourcing or externalization
Innovation Circuits

Interlocking of all the actors and institutions that, through integrated phases, produce an innovation: from the basic research discovery to the required industrial adaptations to adopt the innovation.
Summing up...

‘The theory recognizes what is seen by everybody: capital enterprises conform a strict hierarchical order. The totality of the system is no longer an undifferentiated globalism, but a structure composed by substructures.’ (Levín, 2008, p. 99 own translation).

<table>
<thead>
<tr>
<th>Type of enterprise</th>
<th>Participates in GVC?</th>
<th>Participates in Innovation Circuits?</th>
<th>Position in Power (Planning) relation</th>
<th>Profit Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Enhanced</td>
<td>Yes</td>
<td>Yes</td>
<td>Dominant</td>
<td>Highest</td>
</tr>
<tr>
<td>Technological</td>
<td>No</td>
<td>Yes</td>
<td>Dominated</td>
<td>Consistently above interest rate</td>
</tr>
<tr>
<td>Simple</td>
<td>Yes</td>
<td>No</td>
<td>Dominated</td>
<td>Consistently above interest rate</td>
</tr>
<tr>
<td>Pseudo</td>
<td>Yes</td>
<td>Yes</td>
<td>Extremely dominated</td>
<td>Lowest, usually below interest rate</td>
</tr>
</tbody>
</table>
Surplus value at the University

◊ Change of regime is also a change in value status.
  ◊ As public institutions, universities produced non-market value equal to the sum of wages $W$. The production is “sold” (socially validated, Harribey, 2014) to the citizens through taxes, at price $S=W$.

◊ Surplus value exists only if $S>W$. Therefore, to earn profits, universities need $S$ to take autonomy from $W$.

◊ Higher education and research must take a form that can be evaluated independently of academics’ wages. Quantitative evaluations and management devices enforce this transformation of form (Laval et al., 2012).

1. Normalization, of equivalent research or teaching units.
2. Commensuration of units of different natures
3. Monetization of these homogeneous (abstract) products and services.
Higher education market

Higher education, a private good/service?

- Human capital narrative: private return on higher education → market ideology
- Quality insurance: labels, certification → normalization
- Market segmentation: stratification → homogenization in each segment

Rankings (as ARWU) state a hierarchy that transforms conventions and objectifies this market ideology

- “World class university” label (500 ranked; in France, 33 over 142) → reification of excellence and production of two main segments (and sub-segments at the top)
- Field rankings play an equivalent role (Espeland & Sauder, 2007)
Engagements de l’IDEX Paris-Saclay :
Projet 2011 : Construire « une université de recherche de classe mondiale qui apparaît en bonne place dans les principaux classements internationaux. »

Rapport d’évaluation IDEX 2016 :
Tous les jalons affichés ont été atteints et parfois dépassés :
... à l’exception de l’engagement de faire classer l’Université Paris-Saclay un an après sa création (prévus initialement le 1er janvier 2014) fusion obligatoire ?

Classement ARWU 2015 : estimation

1. Les établissements ESR de Paris-Saclay et leurs UMR, sans les UPR des organismes de recherche
   méthode ARWU pour identifier les affiliations PUB / HiCi (WoS)
   
2. Tous les laboratoires de la ComUE, UMR et UPR
   méthode ARWU pour identifier les affiliations PUB / HiCi (WoS)
   
3. Tous les laboratoires de la ComUE, UMR et UPR
   repérage manuel approfondi des affiliations PUB / HiCi (WoS)
   HiCi : 12 ➔ 14
   PUB : 8 500 ➔ 9 786

26
(PSL* : 25)

21

18
Commensuration: ARWU

Once all universities are redefined along a unidimensional axis (excellence), all activities and products are commensurate as contributing to the overall score.

- ALU #nobel graduates actualized
- AWA #nobel teachers actualized
- N&S #art. in *Nature & Science* (5 years)
- H1C1 #highly cited faculty (excep. SSH)
- PUB #art. (weight 2 for SSH)
- Py total/#faculty

- Each indicator is normalized $100 \frac{indic}{Max\ indic}$
- Indicators are aggregated in a weighted, synthetic score

<table>
<thead>
<tr>
<th>ALU</th>
<th>AWA</th>
<th>N&amp;S</th>
<th>H1C1</th>
<th>PUB</th>
<th>Py</th>
</tr>
</thead>
<tbody>
<tr>
<td>10%</td>
<td>20%</td>
<td>20%</td>
<td>20%</td>
<td>20%</td>
<td>10%</td>
</tr>
</tbody>
</table>

- The synthetic score is renormalized

The weights are conversion coefficients, giving a common meaning to every production, quantitatively stated.
Commensuration: REF

Marketlike public funding of British universities for research

◊ Categorization of publications and aggregation

<table>
<thead>
<tr>
<th>World best</th>
<th>World top</th>
<th>International quality</th>
<th>National quality</th>
<th>Below expect</th>
</tr>
</thead>
<tbody>
<tr>
<td>64%</td>
<td>27%</td>
<td>9%</td>
<td>0%</td>
<td>0%</td>
</tr>
</tbody>
</table>

◊ Volume of production = synthetic score * #faculty

◊ Market share = \[
\frac{volume}{total\ national\ volume}
\]  \rightarrow  funding share

◊ This commensuration is express in money \rightarrow abstract to general, social labor.

◊ This valorisation is not based on wages (but produces retro effect on them).
Universities’ different ways to contribute to capital’s accumulation

**Context:** capital’s technological differentiation, research became increasingly expensive, diversification of funding sources and successful research outcomes lead to more public and private funds for further research for the successful projects, leaving non-marketable research behind

- Some universities managed to monopolize the capacity to produce cutting-edge applied knowledge, an indispensable stage of innovation circuits. Meanwhile, other universities lost (or were created without) that capacity.
- Fundamental research detached from possible applications was replaced by academic research oriented towards technology production.
Universities’ different ways to contribute to capital’s accumulation

<table>
<thead>
<tr>
<th>University Type</th>
<th>Participates in Innovation Circuits?</th>
<th>Position in GVC (and innovation circuits)</th>
<th>Type of enterprise’s characteristics adopted Levin, 1997</th>
<th>Main market activities</th>
<th>Financial autonomy</th>
<th>Academic freedom</th>
<th>Size (students’ population)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Enhanced</td>
<td>Yes</td>
<td>Dominant</td>
<td>Enhanced Capital Enterprise</td>
<td>*Research consultancies or agreements *Private sponsorship of research activities *Licensing their patents *Creation of spin-offs or university-run enterprises (even if they change tuition fees they are not a major part of their budget)</td>
<td>granted</td>
<td>Jeopardized both in teaching and research</td>
<td>Small or medium size</td>
</tr>
<tr>
<td>Single Purpose</td>
<td>No</td>
<td>Dominated</td>
<td>Simple Capital Enterprise</td>
<td>*Sells Higher Education and executive education. *Gives services to enterprises (including renting facilities and human resources services charged to enterprises to find interns for them)</td>
<td>not granted</td>
<td>Jeopardized in teaching but with gaps that may or may not be seized by faculty. If there is still a research capacity it will enjoy degrees of academic freedom but subjected to budget constraints</td>
<td>Medium or big size</td>
</tr>
<tr>
<td>Technological</td>
<td>Yes</td>
<td>Dominated</td>
<td>Technological Capital Enterprise</td>
<td>*Research consultancies or agreements *Private sponsorship of research activities (spin-offs or university-run enterprises creation and patent’s licensing are possible activities but not so frequent) (even if they change tuition fees they are not a major part of their budget)</td>
<td>not granted</td>
<td>jeopardized both in teaching and research</td>
<td>Small or medium size</td>
</tr>
</tbody>
</table>
Final Remarks

◼️ 2 main transformations that universities are experiencing in order to directly contribute to capital’s accumulation:
  ◦ Internal transformation of academic labor, adapting itself towards capitalist production processes, including faculty relations with students
  ◦ Adoption of capital enterprises’ characteristics resulting in market exchanges of their products (teaching and research results), including the different bargaining power they have to decide the conditions of those exchanges.

◼️ Quantification evidences the homogenization of academic work and, once quantitative indicators are monetarized, between academic work and capitalism’s common work form

◼️ The monetary expression carries in itself a profit maximization logic. The ability of the university to keep this profit and start an amplified accumulation process depends on its role in capitalism’s dynamics Universities’ differentiation under capitalist relations.

◼️ Not every single activity in every university will be organized by university’s subordination to capital’s accumulation (community services, quest for academic freedom).
Future research questions

◊ More research needs to be done concerning how quantification impacts on the different suggested market-university types, thus further integrating both transformations.

◊ Are there particular indicators more suitable for quantifying the activities of Single Purpose (Simple) Universities, which are left outside world rankings since they are mainly based on universities’ research activity?

◊ What about the Technological or the Enhanced University, are key performance indicators measured by rankings equally impacting on and shaping these two university types?
Thanks for your attention. Comments. Questions.