



The financialized university in an age of crisis

CREA, February 7th, 2013

Financialization

“a pattern of accumulation in which profits accrue primarily through financial channels”
(Krippner 2005)

Financialization

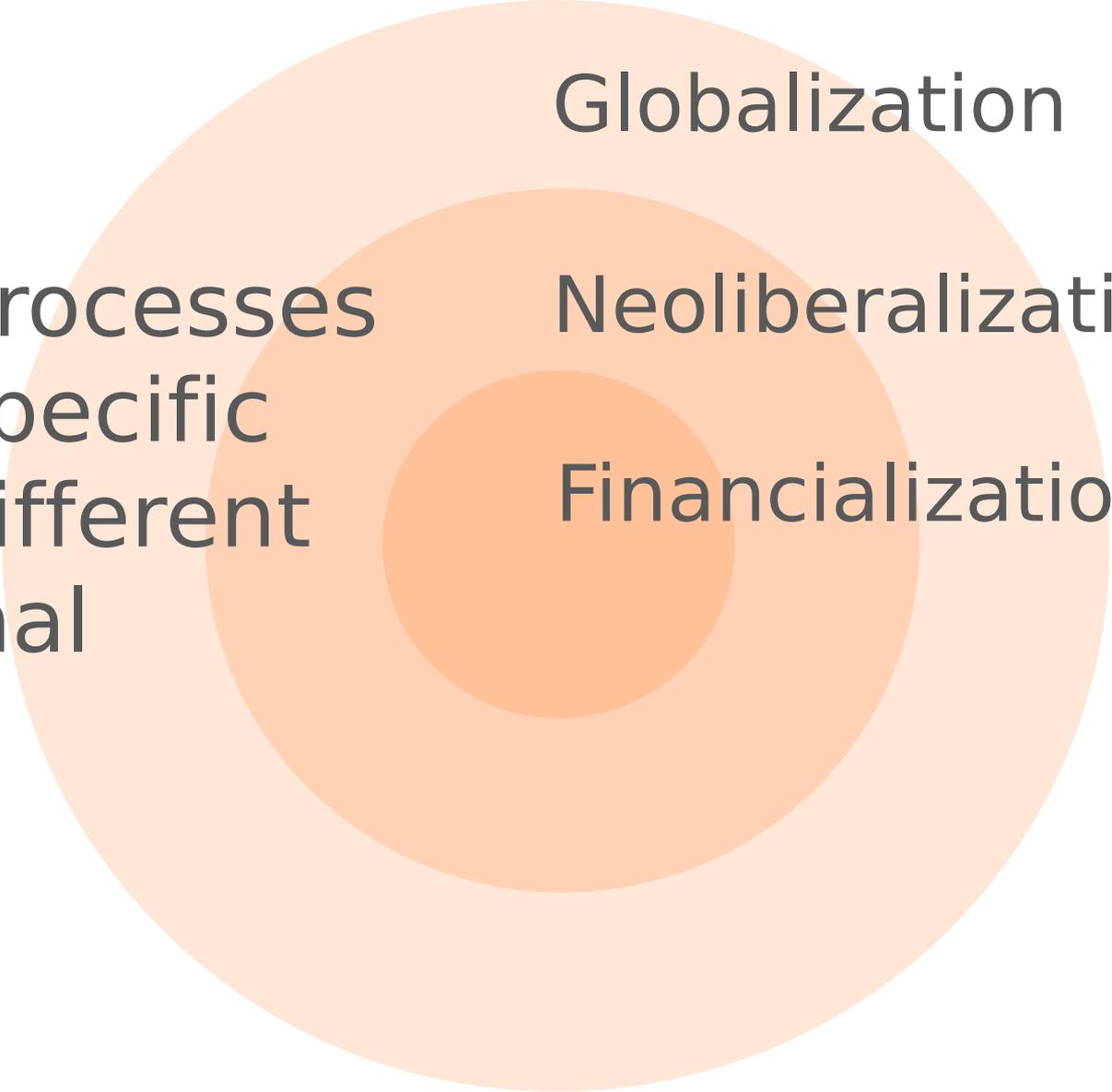
“the increasing role of financial motives, financial markets, financial actors and financial institutions in the operation of the domestic and international economies” (Epstein 2005)

Financialization

“a process whereby financial markets, financial institutions, and financial elites gain greater influence over economic policy and economic outcomes” (Palley 2007)

Macro developments; micro changes

Generic processes
assume specific
traits in different
institutional
settings



Globalization

Neoliberalization

Financialization

Macro developments; micro changes

New public management (NPM)

Neoliberalization

“schemes of organization and control ... imported from business” (Connell et al 2009)

“closely associated with ... risk management”
(Kelly and Wanna 2000)

Risk reshuffling

New public
management
(NPM)



Financialization

Devolution of risk
(1995 real estate transfer)

Risk reshuffling

- internal risk reshuffling (2x)
- externalization of risk management

Financialization

**Devolution of risk
(management)**

Financialization literature

Political economy

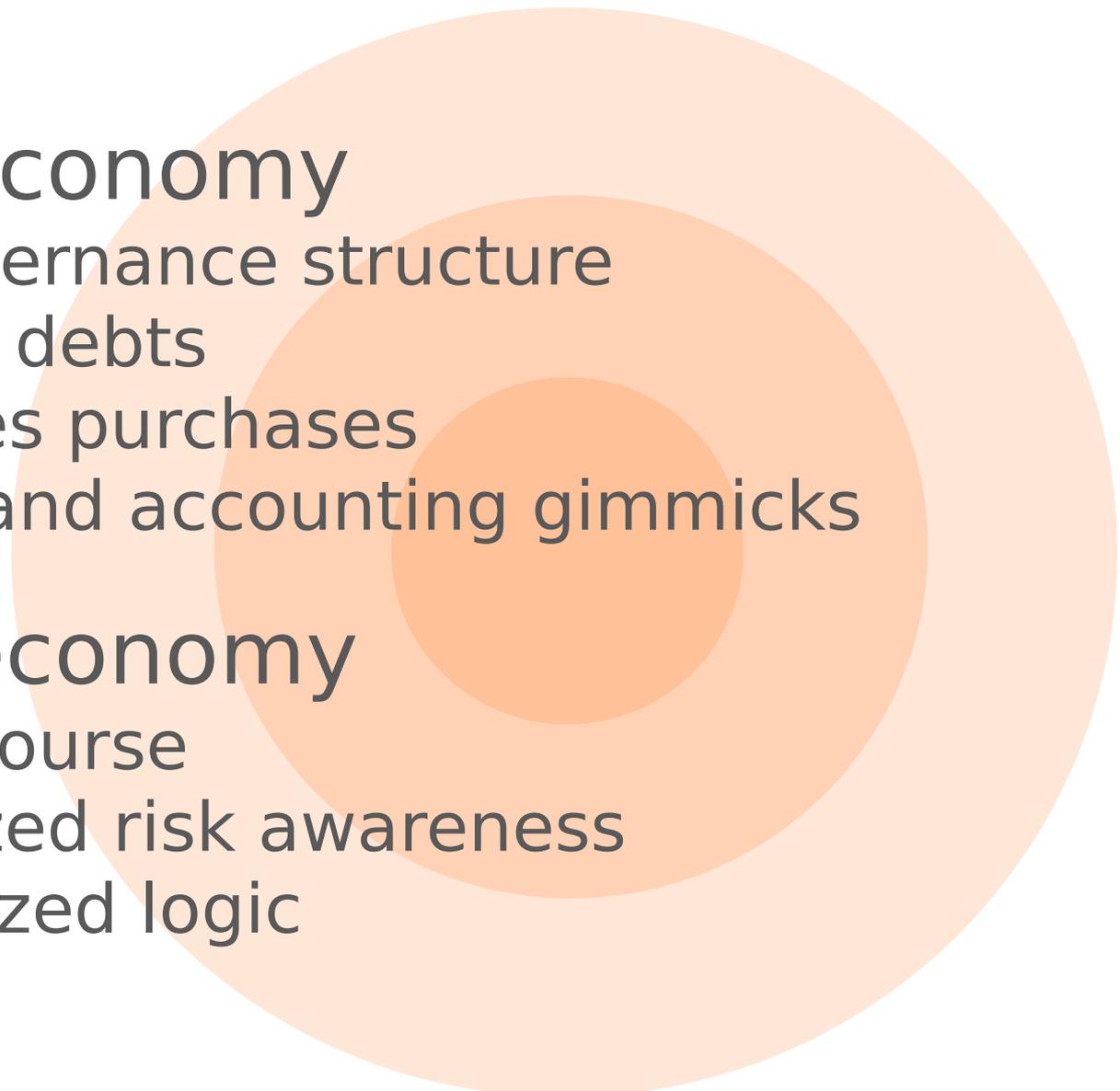
- accumulation regimes (Boyer 2000)
- financial innovation

Cultural economy

- narrative or performative (MacKenzie 2006)

Financialization constitutes a single process, altering “fundamental aspects of capitalist micro and macro dynamics” (Goldstein 2009)

Financialization indicators



Political economy

- novel governance structure
- mounting debts
- derivatives purchases
- financial and accounting gimmicks

Cultural economy

- NPM discourse
- internalized risk awareness
- financialized logic

Promises and outcomes

“persistent gap between expectations and outcomes can nevertheless drive management behaviours, which change the world” (Froud et al 2000)

Risk vs. uncertainty

Uncertainty is typically hidden under guise of rational rhetoric and (risk) models, providing a “projection of neutrality” (Konings 2011) to legitimize the exercise of power

Conclusion

Social contract between state, university (employees and students) has been rewritten

The financialized university has detrimental impact upon core activities...

...this must be **challenged**