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Peter Murphy, *Universities and Innovation Economies: The Creative Wasteland of Post-Industrial Society*, Routledge, 2016, 267 pp. \$119 Hardcover.

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Abstract. This is a brilliant, indeed an indispensable book. It provides a compelling diagnosis of the decline and failure of the contemporary bureaucratic and managerially governed university, the post-industrial-bureaucratic driven economy, and the social-liberal-democratic-bureaucratic state. It deals with matters that those of us who work in universities, particularly in Australia and the United Kingdom (US universities are still far less centralized), and who know from the inside that so much of what has happened over the last thirty years or so has pretty well destroyed the university as a place for reading, reflection, discussion, dispute, deliberation, and inventive imaginative responses to what are thrown up by the spirits of the times. But what makes the book truly remarkable is the thoroughness of the diagnosis and the mountains of evidence that the book marshals to make its case. Moreover, both the diagnosis and the evidence that is summoned to confirm the diagnosis could only have been made by someone who effortlessly moves between the disciplinary compartmentalisations, which, when kept separate, only serve to dilute any diagnosis of the nature of the problems and the forces and interests that conspire not only to create the problems but, sadly, to make them insoluble. Murphy is, to use one of those buzz-words that usually smacks of 'bureaucratise', 'multi-skilled' - precisely because he exemplifies that combination that is, sadly, all too rarely to be found, let alone nurtured in universities today: he is a real scholar, a prodigious researcher, and an inventive thinker.

Keywords. Universities, Creativity, Knowledge economy, Bureaucracy, Post-industrial society, Modern administrative state, Managerialism.

JEL. L16, L50, N10, Q31, Q32, Q35, Q55.

Book review

This is a brilliant, indeed an indispensable book. It provides a compelling diagnosis of the decline and failure of the contemporary bureaucratic and managerially governed university, the post-industrial-bureaucratic driven economy, and the social-liberal-democratic-bureaucratic state. It deals with matters that those of us who work in universities, particularly in Australia and the United Kingdom (US universities are still far less centralized), and who know from the inside that so much of what has happened over the last thirty years or so has pretty well destroyed the university as a place for reading, reflection, discussion, dispute, deliberation, and inventive imaginative responses to what are thrown up by the spirits of the times. But what makes the book truly remarkable is the thoroughness of the diagnosis and the mountains of evidence that the book marshals to make its case. Moreover, both the diagnosis and the evidence that is summoned to confirm

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the diagnosis could only have been made by someone who effortlessly moves between the disciplinary compartmentalisations, which, when kept separate, only serve to dilute any diagnosis of the nature of the problems and the forces and interests that conspire not only to create the problems but, sadly, to make them insoluble. Murphy is, to use one of those buzz-words that usually smacks of 'bureaucratise', 'multi-skilled' - precisely because he exemplifies that combination that is, sadly, all too rarely to be found, let alone nurtured in universities today: he is a real scholar, a prodigious researcher, and an inventive thinker.

The book's power is also predicated upon the fact that its author is equally capable of drawing upon Sociology, Economics, Political Science, History, Philosophy, Education, Management Theory, and Statistics. On three occasions he defers to Tocqueville. I think this work not only confirms Tocqueville's genius in his profound understanding of where the dangers to liberal democracies would spring from, but it also displays the same polymathic features that make Tocqueville a great sociologist and historian. Although Murphy's diagnosis is of our time, the wisdom of this work makes it a great unmasking of the delusions that drive our society spiritually and economically ever more into the despotic depths that Tocqueville rightly feared laid incubating within modern democracies, were they not addressed and dealt with. In this respect, this book should have a very long shelf-life, at least for as long as people want to understand how it was possible that in an age in which so much was said and ostensibly done on behalf of 'the vitalization of creative economies and societies' (p.11), the performance was in inverse proportion to the methods, systems, narratives and means for the transference of economic resources that were 'developed' to ensure that 'objective.'

Murphy's story is one of the vast amount of the economy spent on rhetorical smoke and bureaucratic empowerment. At the root of that empowerment are the divinings of mechanisms to manage and ensure creativity, innovation, and quality. The money has been as well spent as that by courts and kingdoms on alchemical formulae and astrological charts - though without any of the enchantment. Told over four lengthy chapters - 'the creative deficit', the 'innovative economy', the 'bureaucratic university' and 'the social mirage' - this is a tale of bad ideas seizing hold of a fallible but valuable institution - and the all too human response to enact those bad ideas by going wherever there is a price signal requiring someone take a particular course of action. States with deluded visions and vast wells of money are indeed able to shape spheres of production within a society. What they can't do is *ensure* that the plans and produce and hence the kinds of collective action they set in motion are good ones.

In the days of less centralized states allowance was made for different spheres of collective action to be dealt with in different ways. Unlike the modern manager of today, none had to pretend they knew everything. Because they didn't - just as the modern manager still does not, and, indeed, cannot. But then more formalist kinds of *knowledge* were formulated, circulated and institutionally cultivated and entrenched for the purpose of management. To a manager, trained in formal appraisals of efficiency and quality, a vast amount of what occurred in living societies, with their plethora of contingencies and complexities, seemed highly irrational - hence vast amounts of 'information' could 'safely' be ignored. That is to say, complexity had to be simplified and fitted into schemas that were not too complicated to manage, and could be readily taught in undergraduates attending business schools, or by 'consultancies' and 'trainers' to public servants. Management theory, in other words, presented itself as the key to efficiency, but the theory lacked all the constraints and in-built qualifying procedures that a laboratory places upon experimental science. Intellectually it was as rigorous as

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what is readily found in any 'self-help' section of a typical bookshop. When management schools and management theorists were able to convince industrial stakeholders that their pseudo-science was really as scientific as economics, inkeed that it could guarantee 'fail-safe' economic outcomes, the seeds for a 'creative wasteland' were sown. These stakeholders included larger employer groups, professional bodies, as well as unions, who, in consort, were all able to pressurise politicians into handing over public institutions to their control. That this took place within democratic societies had to do with the seemingly irrefutable demand that public funds be well spent.

Whereas free societies once made the pursuit of wealth one liberty, amongst others (the liberty of conscience, the liberty to associate, the liberty to choose one's faith etc.) managers of social capital made the pursuit of wealth – a pursuit that conveniently included their own wealth enhancement – an end in itself. The 'social mirage' this generated lay in various displacements. One of them was the displacement of the idea that the market was basically a supply side driven phenomenon: an ideadefended by Jean Baptiste Say, whose insights Murphy elegantly recounts. Also displaced was the more traditionalist idea that not everything a society does to reproduce itself is simply to be 'valued' by its price. Liberal democracies 'bought' theeconomic mythology that was shared by fascist and communist regimes: that leaders (now managers rather than party members) could fix everything, because they could completely calculate the worth of everything, including education. In the new 'liberal' version, the student became a client, the academic a unit of costing whose productivity could be measured, and the university a resource to help steer the nation's future in the direction of the vision of its leaders. And with the dazzling promises of 'guaranteed' 'efficiencies' and economic 'progress' liberal democracies, with their respective private and public partitions, as we knew them ceased to exist.

The only people who don't know by now that all this talk of managed efficiency was so much 'poppy-cock' are those who stand to lose too much by facing up to the facts. But getting between stakeholder groups and wells of money that are earmarked for their possession is a tough act. For the systemic interplay of stakeholders serves to entrench narratives whose primary function is to conceal all the inconvenient facts that leave the narrative looking like a Swiss cheese and the stakeholders in it, not to put too fine a point on it, either fools (albeit with a great deal of cunning), frauds, or, most commonly, both.

Murphy's book is a litany of the pertinent inconvenient facts that surround the new roles that have accrued to universities in their task of enabling 'innovative economies'. What makes Murphy's critique so devastating is that he outplays the managerialists in the one game that managers pride themselves on –the game of requiring that the facts that reall count can be 'counted' numerically.

The first inconvenient fact is announced in the opening line of the first chapter: 'The rate of creativity in OECD countries is in decline (p.15).' He then notes that: 'A pronounced downturn began in the 1970s. This fall closely tracked the rise of mass higher education.' Any smudge of scepticism I had about the opening salvo of creativity vanished after Murphy meticulously presented a wealth of data that showed that in spite of massive injections of public funding into higher education and research and development, the actual increase in creativity, once one compared the 'numbers', allowing for population growth and expenditure, with the preceding decades, demonstrated unequivocally that there was far less 'value for money' taking place in the arts and sciences.

Thus, to take a few random examples, from the wealth of data presented by Murphy: In Australia between 1993 to 2010, external funding of university research increased four-fold in real terms, yet the research journal articles increased

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by only 1.6 percent. In the United States between 1947 and 2009 American spending on medical research, in real terms, had grown by 237 times, but breakthrough medical discoveries were less than a factor of 23. Moreover, 'the big developments in bio-medical science took place between 1935 and 1965', while 'the era of major clinical discovery was between 1940 and 1975' (p.17). Likewise, 'private and public funding of drug research in the US doubled in real terms between 1994 and 2003 but the number of new drugs approved by the US Food and Drug Administration declined (p.18)'. The discrepancy between funding, and achievement, as Murphy observes, has made us 'an age of proxies', with 'endless promissory notes' as we continually read of some new 'hope' in a 'step toward' greater achievement and cures (pp.20-21). The same picture is to be found in the Arts. Thus, again to take a couple of random examples from Murphy, in fields such as photography, film direction, painting, composition, and (to go back outside the Arts) science, the 'figures by decade of first major work' per million per capita drop off from the 1970s and, in some cases such as the number of important novelists, painters and scientists significantly so since the 1900s (see p.19). Another table lists 'Key Works in the Humanities and Social Sciences by Decade in the Twentieth Century'. The story is the same. Per million of the population, as we hit the 2000s there is considerable decline since the 1970s. These and numerous other statistics support Murphy's observation that while 'the era excelled in messages about creativity... its creative output relative to population was paltry (p. 26)'.

As one might expect, with the massive injection of funds in higher education that took place in the universities of the OECD nations a mismatch occurred, in a system where 'output' became an essential criterion of appointment and promotion, between genuinely innovative research and research productivity. Murphy points out that problem had rightly been foreseen by Derek Price, who proposed that 'the total number of scientists is the square of the number of good ones- or conversely, the number of stellar contributions to a field is the square root of the total number of contributors in the field (p.36).' In such an environment growth is actually 'the prelude to entropy and eventual extinction (p.41).' One conclusion Murphy draws from this is the antithesis of what we are doing with universities: 'Creativity flourishes best in small scale not large scale environments (p.59).' Moreover, as contemporary, or what Murphy refers to as 'post-modern' and 'post-industrial', societies try to innovate through enhancement of scale, they resort to the only 'mechanism' of control at their disposal: they bureaucratize, which is to say they deploy a process that is guaranteed to fail. For the means of assuring 'quality' are the very means that thwart genuine creativity. That there is no reason why creativity should conform to a manageable system is precisely the kind of question that a manager of bureaucratic means for the absorption and distribution of resources cannot seriously countenance: for then he or she would be redundant. However, creativity is simply not the kind of thing one can plan. It is predicated on all manner of social contingencies beyond the planners' tentacles or imagination. As Murphy so neatly puts it: 'Creation is stimulated by association, informal organization, parallel coordination, collaboration, boundary crossing; indeed almost any kind of coordination excepting that of patrimonial and procedural rational bureaucracy (p.87).' An old fashioned word springs to mind: inspiration – that is what happens when people breathe in a similar spirit and then feel a compulsion to express what has transpired in their exhilarated encountering. They give birth to something, whose like has never quite before seen the light of day. To take an example that crossed all manner of people, continents, and fields of creativity from technological innovations in amplification, inventions of instruments such as the synthesiser, plus all manner of innovations in the recording

studio, in production, in radio programming along with aesthetic innovations such as cover art and fashion) that had enormous economic ‘pay-offs’, and incalculable social effects: the popular music ‘revolt into style’ (to use a title from a book by the jazz musician George Melly) of the 1960s. That so many young people in Great Britain not only became passionate in listening to old black men from the Delta, as well as jazz, avant-garde and classical music, music hall routines, and not only added this to rock n roll but learnt to play instruments, write songs, and draw along with them millions upon millions of teenagers and older folk around the globe had nothing to do with any planning or bureaucracy, but everything to do with the passion and inspiration-fuelled spontaneous creativity of one, two, three, four, or five or more people at a time. As this example demonstrates, and as Murphy argues, there are relatively high and relatively low periods of creativity. Creative periods, notes Murphy, are pendulum-like.

The bureaucratization of creativity and the bureaucratization of society along with the expansion of higher education itself were but parts of the more general ailment of the bureaucratization of liberal democratic societies. As Murphy points out: Between 1970 and 1975 in the US, the *Federal Registry*, which is a ‘record of all US Federal government rules,’ ‘tripled in size, from 20,036 to 60,221 pages.’ If we take the period from 1936 to 2012, the sheer size of the *Registry* increased by 30-fold, while population growth had increased 2.4 times (p.94). This alone should put pay to the myth, so widely repeated within the Humanities and Social Sciences, that ‘neo-liberalism’ captured the modern state and that this explains so many of our contemporary social and political ailments. To be sure, certain industries such as the banking and financial sector were successful in pressing for certain ‘liberties,’ and as the global financial crisis demonstrated, some deregulatory measures were disastrous. But the ‘liberties’ far from opening up society to a more liberal order, actually fuelled state dependency, by way of low interest rates that were deployed for enhancing the bureaucracy and expanding various state programmes, including ‘cheap’ public housing which was a key contributor to the crisis. Murphy focusses primarily upon the university sector as the loser in this state expansion, and ultimately he has a compelling argument against the idea that more universities, educators, administrators, and students does not lead to a better qualified work-force, a more innovative society, or a more literate public (in one table he shows how drastically the decline has been in the number of books people read per year in 1978 and 2005 [p.207]). Where there has been real growth is management: ‘We now live in a world where everyone who directs something or coordinate something is a “manager” (p.170).’ And if we consider this phenomenon in light of the university, we are confronted with the fact that in Australia, for example, ‘70 percent of university income is distributed to university administration (p.218).’ We have, in other words, a huge amount of investment, and a huge number of stakeholders in this system. And, of course, and understandably enough, all wish to keep their positions. These stakeholders, unlike the academics (at least those without administrative and bureaucratic ambition) who were outmanoeuvred and politically witless, have narrative control through the hermetically sealed and self-serving data they gather and criteria they deploy.

A severe break, indeed a collapse in the system has to occur before such stakeholders are cast adrift. Murphy argues that the economic contraction that has followed in the wake of the global financial crisis of 2008 must curb the growth of the universities, which has contributed to the problem. And, again he comes armed with data to make the case that OECD universities are experiencing the same economic hardships as states attempt to wean the monster from their teat. This is not due to any de-escalation of bureaucracy as such, though, just a symptom of the expansion of competing interests, including the bureaucracy, for public money.

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It is on the matter of prospects for recovery, and the hope that a change for the better might occur that I am unable to follow Murphy's optimism. Not that I don't want to. But I think it is simply too late. As with the collapse of the Soviet Union, whose signs of demise had been evident to those economists who looked closely at what was going on long before it occurred, the reasons for and symptoms of the collapse of the modern university are conspicuous in multitudinous ways. Murphy has done a brilliant job in canvassing those ways. And he does have sound advice for improving the situation that sensibly retrieve much of what has been lost. But I am reminded of Christopher Hutton's play on Deleuze's 'body without organs' when speaking of the managerial revolution: management, especially university management, is a 'body without ears' (Hutton in Caringella, Cristaudo & Hughes, 2012). That has been a condition of its advancement and entrenchment. Not only in universities, but in schools, in hospitals, in the police-force, prisons, even the army.

There are serious questions to be asked about whether what has happened to liberal democracies and to the public sector, in general, and the university in particular is but a portent of greater social and spiritual collapse. Whether the creation of a machine which is but a component of a totally calculable society simply creates a state of dehumanisation and blindness on such a scale that it leaves nothing worth striving for or sacrificing for, a completely faithless and vacuous society bereft of any convivial future is a serious question. What has occurred in the modern university suggests if that were the direction we are heading in, few would know it, and none with authority would consider anything written on the subject as of any more relevance than the citation numbers it generates as an impact factor.

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