

More Market, More Management and Everything Will Fall into Place (Again)?

New Public Management in Adult Education

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“Every entrepreneur has a superior—and it’s the market.”

Peter F. Drucker (n.d.)

“The market does not lead to the right developments in all areas. It is incapable of determining the route of a high speed rail link. It isn't concerned with social justice. It ignores the right to culture and education. It is indifferent to the excluded.”

Jacques Attali (*1943), special advisor to French president François Mitterrand, president of the European Bank for Reconstruction and Development (n.d.)

In current everyday usage, it is not just businesses that are “managed” (cf. Bröckling 2000, pp. 131f.) and controlled according to the principles of the market but also one's career, family and everyday life, relationship problems, government agencies, schools and self-development. All of these things are “managed” and must be organized according to the principles of efficiency and competition. At the administrative level or in the restructuring of institutions and associations, this trend is called New Public Management¹ (NPM).

New Public Management became especially popular as part of the “Third Way” of reformers such as Tony Blair and Gerhard Schröder and lost its neoconservative slant, which had been associated with the intent to reorder social interactions or everyday life (cf. Schedler/Pröller 2009, p. 35; Hall 1989, p. 178), to re-embrace conservative values and to reject the social consensus and ideas of the social welfare state as well as to antagonise trade unions as did Margaret Thatcher and Ronald Reagan (cf. Hall 2011 and 1989, p. 180; see Dixon 2000; Cockett 1995).

Stuart Hall, one of the founders of Cultural Studies, describes the aim of strategies such as New Public Management as the idea of disintegrating everyday life and providing a new comprehensible image (cf. Hall 1988, p. 39). *“Where previously social need had begun to establish its own imperatives against the laws of market forces, now questions of ‘value for money,’ the private right to dispose of one's own wealth, the equation between freedom and the free market, have become the terms of trade, not just of political debate in parliament, the press, the journals, and policy circles, but in the thought and language of everyday calculation. There has been a striking reversal of values: the aura that used to attach to the value of public welfare now adheres to anything that is private—or can be privatized.”* (Hall 1988, p. 40). Indeed the point was not to promote competition and efficiency but to create a new social order and “to break the attraction of the social welfare state” (cf. Centre for Policy Studies op. cit. in Hall 1988), to break the dominance of the social consensus and to establish market principles.

¹ Wikipedia provides the following definition: “New Public Management (NPM) or public reform management denotes an approach to administrative reform and the modernisation of government that is based on using private management techniques in public administration. The main features of New Public Management vary depending on the country and/or author. In Europe, a particularly radical form of NPM was applied in Great Britain (Thatcherism). NPM originated in the 1980s and came to dominate in economically liberal governments, especially in the policies of Margaret Thatcher and Ronald Reagan, but also in social democratic governments such as in New Zealand or Sweden. Many reforms were also carried out by subsequent governments (Tony Blair, Bill Clinton) (see: https://de.wikipedia.org/wiki/%C3%96ffentliche_Reformverwaltung).

New Public Management originated in England and the United States in the 1980s in close proximity to neoconservative governments and diverse think tanks (e.g. the British Centre for Policy Studies²) that promoted the market as the solution to all the problems associated with Keynesian solutions and the organisation of the social welfare state, which in their opinion were too expensive. The background was the quite simple and empirically unsubstantiated business idea that only the market could allow efficient allocation of resources and thus achieve optimal customer satisfaction. Points of reference were public choice theory and rational choice theory approaches, which are based on the extremely simplistic ideas of self-interested agents trying to maximize benefits. The market orientation of New Public Management arose as an anti-bureaucratic, business administration idea (see Wikipedia – Reformverwaltung; Walker 2013; Cairney 2002) with the priorities: introduction of the market/competition, implementation of performance and outcome orientation, quality assurance (see Bröckling 2000) and customer orientation. It features a radically anti-bureaucratic style and a set of recipes and methods (“an NPM toolbox”, Schedler/Pröllner 2009, p. 50) that includes elements such as privatisation, public-private partnerships and outsourcing, tools that can be used largely regardless of context.

Citizens’ initiatives, hospitals, educational providers—no hospital without health management, no theatre without cultural management and no adult education centre without educational management. Or just recently: migration management instead of “close the borders!” Even though management often does not really mean order, social responsibility and leadership but rather emphasis on the pressure from rising costs, reference to the difficult economic situation, reduction in personnel and quality management as well as outsourcing or privatisation. *“Positive associations such as clarity, straightforwardness, objectivity, competence and efficiency are connected with management. Management presents itself as the category of calculated progress and as such is not only relieved of its duty to prove its legitimacy but also has considerable potential to legitimate itself. Activities that previously had their own importance have now moved into the proximity of management, thereby receiving a new dignity. Better management is being demanded for schools, hospitals, insurance agencies and administrative institutions of all kinds, to name just a few of the most important organisations. The term “management” is also an ideal complement for more abstract concepts, as the variety of modern word combinations shows: time and relationship management is as common a neologism as information and knowledge management, educational and professional development management, research and cultural management, social and identity management.”* (Nigsch 1997, p. 418).

Management programmes and market initiatives also provide an arsenal of handy and objective instruments and practices with whose help companies, public agencies, associations, educational institutions and social services reorganise their operations and individuals seek to structure their everyday life. Thus everyday life is reorganised and all aspects of life are oriented to competition starting with the field of work (cf. Bröckling 2000, p. 132).

A new adult education?³

“Whoever makes the market economy a priority but settles for less in terms of justice will not live up to expectations.” Willy Brandt (n.d.)

From back exercises to business English, adult education course offerings are being standardised and streamlined. There will be fewer or no regional specialties, but the courses will be better structured and comparable and probably more efficiently developed and conducted as well. Everything should be expressed in the simple language that consulting agencies employ and for which they are well paid so that citizens who have less language training can understand the course offerings. The effect of these simplification efforts is controversial. The simplicity should benefit people with a lower educational level who do not have a school-leaving certificate of value on the market, those who participate less

² More information on this at: <http://www.cps.org.uk/>

³ The following comments are a bit oversimplified and should generate protest; they do not describe actual practice but basic logic. The point of these remarks is above all to contradict in order to illustrate the problems more clearly!

often in continuing education, who have bad jobs, who earn little. But how should it benefit them? Their problems are not only or not specifically that there is too little information or a lack of an overview of the offerings; their problems are too little income, social exclusion, concerns related to migration, intensification of working hours, illness, and perhaps also the realisation that it isn't education that makes a good life possible but the converse. Those who have a good life can also continue their education.

In the name of self-responsibility, one is called upon to educate oneself, to believe in or advance one's own ability and to adapt to the requirements of the market (see Vater 2015a and 2015b). The other side of these appeals to educate oneself is the sheer inevitability and the compulsion to improve oneself further, namely to optimise oneself endlessly in societies that demand individual achievement, commitment and life time from everyone. Only the best are favoured by the market and have the opportunity to advance socially⁴. But why does the market decide who the best are, and do we need the best? There are many threats to education that in a way serve as a motivation: unemployment, illness, violence, false voting behaviour. Yet the wish to educate oneself, the educational aspiration, probably does not arise that easily.

The quality of education is not ensured qualitatively in common certification systems and in practice by adult educators through competence, experience or expertise in adult education, good instructors, democratic demand ("education for all") or good event design. It is worked out, paid for, guaranteed and extensively documented in labour intensive and in the proper meaning of the word highly bureaucratic quality circles prescribed by external agents; these circles produce and have as their goal high employee commitment and control (see Bröckling 2000)—in procedures oriented to products and customers. The focus is on customer satisfaction and efficiency. In any case, there is no lack of motivation on the part of the poorly paid employees; self-initiative, self-responsibility and enthusiasm are present—adult education is an interesting and meritorious area (see the Austrian Federal Ministry of Education and Research (BMBWF) 2004). The important decisions are made by the management in quick and autonomous decisions by the persons who are responsible. Plenty of mission statements are worked out in a participatory manner, often without any effect on reality—just as the quality circles often remain mere words on paper. The result is a concentration on the main business and proper education is what helps a person get somewhere—fewer photo clubs and social encounters and more real measurable education too.

The course descriptions are worded in terms of output so that competence can be bought almost directly. To a certain extent, it is clear what can be got out of the course. It also appears to be clear in which areas one should be competent today. Education must produce measurable results; such results that organisations like the OECD can measure. The OECD, that research or—at least previously—neoliberal lobbying organisation⁵ (cf. Bouhali 2015) that carries out PISA and measures schools and participation in education, naturally for good money. It is education that is also paid for by customers and must be paid for.

Market logic actually means the dismantling of public education and a decrease in equal access; this is supported by a great amount of empirical evidence (cf. Lohmann 2001, Lerner 2000) as well as a great number of different opinions. I would like to show that even though "the market" may promise liberation and modernisation, it cannot be separated from other ideologies or ways of thinking, thus back to New Public Management.

⁴ For example, Pierre Bourdieu presented a variety of empirical evidence that clearly questions an idea of "performance" that is independent of social background (see Bourdieu 2001).

⁵ Another one of the many pieces of evidence is an OECD paper in which strategies are recommended that reduce the quality of public education, facilitate private education and open up the educational sector as a profit-oriented sector. The paper also provides tips for deflecting parental protest (cf. Morrisson 1996, p. 26).

The characteristics of New Public Management are (cf. Schedler/Proeller 2009, p. 38):

- Introduction of competition, the market—competitive orientation makes rigid structures more flexible
- Emphasis on the “enabling and guarantor state model” (*Gewährleistungsstaat* in German) (that activates the taking on of responsibility by limiting benefits, pricing, education)
- Change from input orientation to output orientation/measurability as a criterion/quality assurance
- Rejection of bureaucracy: “red tape” (cf. *ibid.*, p. 3)
- Increased proximity to citizens through customer orientation along with an emphasis on the relevance of decisions by experts instead of democratic negotiation processes
- Introduction of management methods and quantitative efficiency criteria and performance criteria
- Decisions become rational and education is regarded as an investment (rational choice theory and public choice theory)
- Portrayal of market/private sector principles as apolitical and fact-oriented—while taking an anti-trade union position (“resistance to trade unions”) (cf. *ibid.*, p. 39)

New Public Management is a school of thought about economic governance that has been expanded to public institutions as well as NGOs, where it is partially suppressing and interfering with sector-specific logic and competences. In the meantime, these ideas and procedures have become the standard for municipal administration, state-owned enterprises, parliamentary discussions, EU educational policy and school policy and are also more prevalent in the non-profit sector. The starting point is the restructuring and market orientation of public administration, which is portrayed as being full of red tape (cf. Schedler/Pröller 2009, p. 3) instead of an area of democratic administration, competence, equality and equal treatment and objectivity. In this market-oriented perspective, the exclusive point of reference is the customer satisfaction of citizens, on whose account even democratically governed areas can also be cut back—an idea that is not without its dangers.

The principles of the free market economy

To put it in somewhat more prosaic terms, the Federal Agency for Civic Education (German abbreviation: bpb) defines the free market economy according to the Duden *Wirtschaft von A bis Z* (Duden 2016 cit. in bpb n.d., no page cited) as: “...an economic order based on the ideas and thoughts of classical liberalism [...], which grants each individual [regardless of sex, origin, social class, S.V.] complete responsibility for oneself and economic freedom of choice and action⁶. The only role of government is to ensure protection, safety and property rights for its citizens, to provide a means of payment and to maintain the justice system (“night-watchman state”). The government otherwise abstains from influencing the economy and relinquishes control of the economy to the market alone, i.e. the law of supply and demand. Characteristics of the free market economy include private ownership of the means of production, open competition, free formation of prices, economic freedom and freedom of consumption.”

In this sector, economic liberalism is also defined as follows: “Economic liberalism, whose theoretical basis was developed by Adam Smith [...], is based on the right of the individual to freely engage in economic activity. According to Adam Smith, the individual is guided in the pursuit of his or her self-interested goals of profit and wealth as if by an invisible hand that ensures that he or she serves the

⁶ On the one hand, this sounds like freedom and also signified it under feudalistic conditions. Yet it can also signify that it can be assumed that everyone has the same opportunities (e.g. in the educational sector independent of origin, sex, etc.).

good of society although this is not at all his or her intention.” (Duden 2016 cit. in bpb n.d, no page cited).

The basic principles of the market economy are straightforward. The main controlling factors are supply, demand and price as well as well-informed buyers who satisfy their preferences with the supply and according to their resources on the market. Apparently nothing else is necessary according to the advocates of the principles of free market capitalism. Government intervention would only disturb and distort individual preferences.

But much more is connected to the ideas of competition, the history of the rise of neoliberalism⁷ in the 1980s with Thatcher and Reagan, the disdain for trade unions and their culture of solidarity and non-profit oriented life, the proximity and support of Hayek and Friedman and the Chicago Boys as representatives of these ideas to/right-wing dictatorships, the avid dislike of social welfare and safety in the name of the social welfare state (see Plehwe/Walpen 1999). Without its history, the idea of the market does not exist and it cannot be separated from its history and market mechanisms are under no circumstances apolitical.

Two examples of free market distortions

Efficiency above all else! An example of misguided control by the market.

In his bestseller *Post-Democracy*, Colin Crouch (2004, p. 86) provides an example not related to education that is easy to understand. New Public Management and competitive orientation recommend outsourcing for efficiency and the execution of public functions by private or semi-private agents of public administration. The example presented of a case in Great Britain is concerned with the alimony payment demanded by a child care agency that operated like a profit-oriented collection agency. On average, the collection of alimony payment worked very well and efficiently. However, the profit-oriented and performance and success-oriented approach revealed the obstinate and extremely efficient behaviour of a collection agency. They prosecuted the middle class in particular; poorer and rich debtors were prosecuted less and received fewer reminders and other threats. The poor are actually not able to pay; the rich do not necessarily have to pay as they have lawyers, resources and often time. This is not fair and incompatible with the principles of equality in a democracy.

Political education as an example of a paradigm not oriented to competition

At this point, I am not going to argue extensively for the need for political education; this is simply beyond all dispute. Democracy must be learned and democracy and participation must be talked about, discussed and learned. Democracy is a practice that requires practice. I doubt that political education can be exploited according to the logic of competition, individual performance, testing and measuring and remain competitive. And this is not due to any potential inefficiency in planning or implementing political education. It is suitable for generating profit only in part or perhaps not at all. This is also due to its potential content and the skills it imparts.

Education must *also* be efficient but not only. It is political education course offerings in particular that prove the insufficiency of orientation to market criteria, which affects how important they are considered to be when costs must be cut. Often funding is only granted to what is profitable. And what is profitable is not exactly to be equated with empowering or valuable education from the perspective

⁷ Libraries are full of specialist literature that answers the perennially asked question of how to define neoliberalism: e.g. Butterwege/Lösch/Ptak 2008. Keywords are: erosion of democracy, austerity, anti-Keynesian policy, New Public Management, market orientation, downsizing, resistance to trade union policy. For detailed aspects, see Foucault 2004; Bröckling 2000; Berlant 2011.

of the person receiving the education (I am taking the liberty to use this somewhat antiquated image of the “valuable”). Political education course offerings also illustrate the insufficiency of governance exclusively in response to demand.

The problem of “distorted preferences”—from the perspective of market orientation—is particularly clear in the planning of political education courses. There is no market for political education. Independent of whether it is assumed that “political education” is important or unimportant, demand often remains below the limit of desirability and this cannot be resolved with the recipes and tools of competition and quality assurance. It is not likely that participants will pay for the course itself or the best discussion in the area of political education, and the planners often say, “You should be happy if anyone shows up!” This is due to neither the quality, nor the too complicated descriptions—or not only. In a time when time is limited and exploitability in demand, political education often offers content that is committed to slow democracy or to paradigms not oriented to competition. Naturally political education can also be well received; this is proven by the full rooms and courses of some offerings. Competitive orientation and performance criteria or certified citizen competence are not very effective and often “political education” disappears from course programmes in this competition. Even the colleagues responsible for this disappear over time. In reality, competitive orientation founders on the need for emancipatory education to offer more than just what “the market” demands. In a lecture given during the Wiener Festwochen 2017, Gayatri Spivak characterized emancipatory, political education⁸ as an “un-coercive re-arrangement of desires” and thus a way to reorder or thoroughly mix up the structures of preferences—as a result, competition and the market are incompatible, the market ideas are a bit too simplistic after all, and the profit rationality of NPM is not extensive enough.

Public education: justice, equality and democracy

As an institution of public education, the adult education centres define their educational principles as follows: *“The adult education centres see themselves as educational institutions committed to democracy and human rights and independent of political parties. They are adult education institutions that provide educational opportunities by offering organized learning to the general public and professionally set into motion, support and accompany educational processes”* (VÖV 1994, p. 2). Who would seriously claim that these principles can be achieved through competition and the market? These terms hardly play an important role in discussions of the effects of the market. And the tradition of the adult education centres and of other adult education providers is writing a completely different history than that of the market and efficiency (see Filla 2001; Vater 2015a and 2015b). It is one of enlightenment, democratisation and “education for all!”. In her passionate plea for public education, Raewyn Connell (2001) defined its principles as part of the responsibility of all citizens for each other and their mutual support in a society of solidarity. “Equality” is another principle Connell refers to, real equality that is expressed in equal respect and equal principles of access and equal treatment for all and in an appropriate educational policy that produces this and does not merely pay lip service to everyone being equal and having to create their own happiness or trust in the invisible hand of the market.

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⁸ Without being able to incorporate remarks on the problems surrounding this concept here.

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