Higher learning in Portugal: A Veblenian approach to the evolution of organizations and hierarchies

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Abstract:
The present contribution is a modest and original proposal for studying organizations that once interested Veblen and that interest all of us and that could respond to the continuous, recent and not so recent, appeal that the work of a central figure of American institutionalism.
Veblen can be considered in the present research as much as a source of inspiration for fresh and good ideas and working hypotheses (to a similar degree as Schumpeter is for innovation and industrial organization studies). It is surely also an important theoretical point of departure for giving an institutional bent and an evolutionary theory for the study of the internal workings of universities and the evolution of their very population through different periods of growths and crises.
First, I use concepts and hypotheses that Veblen used in his studies on the American universities (from *Higher Learning in America*) and other relevant works. His study of the American universities were then in his time either weak or of recent creation and often with a rather low level of cumulative scholarship, a case that strangely remember us some European higher education systems such as the Portuguese case.
Second, the evolutionary approach to (1) the evolution of the organizations (universities and polytechnics) and to (2) the dynamics of selection, hiring policies, promotions and mobility is better adapted for grasping the historical transformations of the national systems of higher education. The object of study is neither static nor simply reducible to representative agents.
Finally, the distinction between ceremonial versus production or industrial production is reworked in order to describe some of basic mechanisms in the higher “learning” system, such as the making of hierarchies of teachers, tenure systems, and the problem of internal and external mobility. This treatment will integrate notions coming from Veblen, like ceremonial adequacy, with others from Hirschman, namely the notions of exit, voice and loyalty, Canguilhem (pathology and normal) and Spengler (the problem of order).

Keywords: Institutions, higher education, hierarchy, internal and external mobility, organization theory, Veblenian economics.
Code (EAEPE): INSEC, ORGTH, SOCIO, VEBLE
Introduction

On the basis of an international project on higher education transformation in Europe, and a more in depth analysis of the case of Portugal, I develop a theoretical framework for the analysis of the internal dynamics of universities (promotion, control and mobility analysis) and the overall evolution of the population of these very universities and higher education organizations (polytechnics, private organizations, etc.). The aim of the paper is to go back to Veblen’s analysis of the higher learning in America (Veblen 1899, 1918, 1919) and propose a theoretical framework and a limited number of working hypothesis for studying the transformation of the higher education systems in Europe with, in the present paper, a particular emphasis on the Portuguese case by way of exemplification.

The present contribution is a modest and original proposal for studying organizations that once interested Veblen and that interest all of us and that could respond to the continuous, recent and not so recent, appeal that the work of a central figure of American institutionalism (Argyrous and Sethi 1996, Foss 1998, Hodgson 1998, 2004a, 2004b, Mayhew 1998).

In the present research, Veblen can be considered as much as a source of inspiration for fresh and good ideas and working hypotheses, to a similar degree as Schumpeter is for innovation and industrial organization studies (Fagerberg 2003). It is surely also an important theoretical point of departure for giving an institutional bent and an evolutionary theory for the study of the internal workings of universities and the evolution of their very population through different periods of growths and crises.

First, I use concepts and hypotheses that Veblen used in his studies on the American universities (from Higher Learning in America or The Theory of Leasure Class) and other relevant works (such as the Theory of Business Entreprise). His study of the American universities were then in his time either weak or of recent creation and often with a rather low level of cumulative scholarship, a case that strangely remember us some European higher education systems such as the Portuguese case.

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1 In the citations I use the following abbreviations HLA, TLC TBE for the Higher Learning in America, The Theory of Leasure Class, and The theory of Business Entreprise, respectively.
Second, the evolutionary approach to (1) the evolution of the organizations (universities and polytechnics) and to (2) the dynamics of selection, hiring policies, promotions and mobility is better adapted for grasping the historical transformations of the national systems of higher education. The object of study is neither static nor simply reducible to representative agents.

Finally, the distinction between ceremonial versus production or industrial production is reworked in order to describe some of basic mechanisms in the higher “learning” system, such as the making of hierarchies of teachers, tenure systems, and the problem of internal and external mobility. This treatment will integrate notions coming from Veblen, like ceremonial adequacy, with others from Hirschman, namely the notions of exit, voice and loyalty (Hirschman 1970a, 1993), Canguilhem (1966) with such concepts as pathology and the normal and Spengler with the definition of the problem of order (Samuels 1971, 1995, Spengler 1948, Spengler 1968).

In the first section, I develop the general theoretical argument that I will adopt from Veblen and compare his context with the current one in higher education. In the second section, I will build on Veblen evolutionary concepts retained in the first part such as ceremonial adequacy with other contribution coming from organization theory, namely sociology and economics. In the case of economics, I will use in combination with the Veblenian arguments the concepts of voice, exit and loyalty advanced by Hirschman with the addition of the notion of apathy that some of his followers have developed for the study of organizations (Bajoit 1988, Hirschman 1970b, Hirschman 1981, 1993). A central theoretical notion in the present study is the concept of hierarchy that is linked to the concepts of normality and pathology (Canguilhem 1966). The two criteria are the building blocks or specific institutions for the edification and survival of hierarchies. The theory will be developed and illustrated in two parts. First, at the level of the organization (the university) the problem of hierarchy and (internal) mobility will be discussed. Second, at the level of the general system of higher education, the survival of organizations, the (external) mobility of individuals between the schools will be characterized so that we can get see how the critical factors of evolution are. The notions of hierarchy, normality and pathology will also be part of the treatment of the overall
system with the introduction of the problem of order (Spengler 1948, 1968). The last section will illustrate more systematically the working of the system in the Portuguese case and discuss the problems of conflicts of rules and institutions that are at the center of the evolution and changes of the system of higher education.

1. Theoretical framework and Veblen’s and today’s contexts for higher education

There is a parallel between the American higher education system from 1880s to the 1900s and World War I and the Portuguese system from the 1970s to the 1990s where both showed low levels of cumulative scholarship and an upsurge in vocational and private institutions entering the sector (Simão, Santos and Costa 2003). By low level of scholarship, I mean a comparatively weak knowledge and practice base of higher learning that goes beyond the plain numbers. This was one of the critiques that Veblen made to the evolution of the American system, the obsession that the university managers had with number of enrolment of students and material investment figures such as buildings and to the neglect of scholarship (Veblen 1918) and what we would call now intangibles.

2. Veblenian evolutionary concepts

What interests me here is not to make a thorough and detailed interpretation of Veblen’s evolutionary economics, but rather to highlight the main building blocks that could constitute the basis for a theory of the evolution of higher education system, and the evolution of organizations and classes (and cohorts) of individuals.

The first concept from Veblen is the cumulative causation scheme that is at the center of his conception of economics as an evolutionary science (Mayhew 1998, 2001, Rutherford 1998b, 1998a, Veblen 1898). Typically, this notion is relevant for studying universities
and people dynamics in the higher education system, and especially in Portugal with a much ingrained and not very transparent tradition.

[...] The economic life history of the individual is a cumulative process of adaptation of means to ends that cumulatively change as the process goes on, both the agent and his environment being at any point the outcome of the last process. His methods of life today are enforce upon him by his habits of life carried over from yesterday and by the circumstances left as the mechanical residue of the life of yesterday. What is true of the individual in this respect is true of the group in which he lives. All economic change is a change in the economic community, - a change in the community's methods of turning material things to account. The change is always in the last resort a change in habits of thought. This is true even of changes in the mechanical processes of industry. A given contrivance for effecting certain material ends becomes a circumstance which affects the further growth of habits of thought - habitual methods of procedure - and so becomes a point of departure for further development of the methods of compassing the ends sought and for the further variation of ends that are sought to be compassed. (Veblen 1898: 391)

There is another concept that appears in the book on higher education, while never cited explicitly: *ceremonial adequacy*, which is treated in one of his other famous books, *The Theory of the Leisure Class*. In chapter six, *Pecuniary Canon of Taste*, Veblen talks about the “ideals of ceremonial adequacy that guide men's conception of what is right in the matter of sacred apparatus” (Veblen 1899: 125).

The central discourse of Veblen on higher education in America turns around the process of ceremonial adequacy of and in universities with the help of a hierarchy and several institutions or social rules that lead to specific social and professional hierarchies within and between universities. Some of the processes are well described by the mechanism that Hirschman and followers have identified with the evolution of organizations and the problem of survival: the logic of exit, voice, loyalty and apathy (Bajoit 1988).

I have excluded the discussion of other institutionalists such as John Commons, Mitchell and a philosopher like John Dewey for lack of space and above all because this will lead me too far astray with regard to the point I want to make, i.e., the relevancy of the ideas and methodology of Veblen.

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2 I have not used the development of Clarence Ayres on ceremonial adequacy, in chapter 8 of his book on economic progress (Ayres 1978). I have preferred to develop my own interpretation and adaption to a particular case.
Ceremonial adequacy is to be taken here as a mechanism of academic and social regulation in the universities that imposes rules on the nomination and progression in the professional careers, namely that of professors. The rituals and ceremony might correspond to facts and known merit but also be part of simulation, especially for those unlearned that came from well–considered families, this simulation is relatively close to the notion of simulacrum (Baudrillard 1994).

In the present research, I associate the ceremonial adequacy to what Canguilhem mean by normal and by the dividing line between normality and pathology, coming from medicine to the social sciences (1966). The concept of normal is related to the notion of harmony in organizations and, in the academic discourse, the adequacy to scholarship, which often is ceremonial or apparent adequacy. When Canguilhem talk about “normal”, he refers to rules and does not oppose squarely normal to pathology if the latter means absence of norms.

In our research, the discourses that we studied often oppose the notion of normal (adequate scholarship) to that of pathology (lack of scholarship) while, in the empirical research, the facts behind the official documents (behind the ceremonial adequacy) are not always corresponding to the “reality”, to what happened.


From 1974 onwards, Portugal is changing considerably; politically and socially with the advent of democracy and the steady growth of the population of students getting into the higher education institutions. In the late 1980s, there is one important change, the creation of private universities and other private organizations offering courses in tertiary education. Most of these institutions, while adopting a ceremonial simulation of higher scholarship, their quality is reputedly low, in some cases it is almost an easy but expensive way of getting a formal degree without much higher education or learning.

Our research focused on a sample of universities, faculties, research centers and departments that represent the diversity of the system of tertiary education. We have done interviews of actors and consulted archives of universities and tribunals. For
methodological and ethical reasons, we have not identified the person interviewed and used alias.

In the present paper, we will limit ourselves to some details that illustrate the Veblenian concepts of ceremonial adequacy or the notions of normality and the different logics of exit, voice, loyalty and apathy in organizations.

In Europe, higher education grew form the 1970s onward while in Portugal that growth came in later, slowly in the end of the 1970s, increasing in the 1980s and almost exploding in the 1990s, namely with the creation of the private universities and polytechnics. Growth, as documented in the interviews, has been out of control, much beyond the traditional public higher education institutions.

Even tough, there are peculiar institutions and situations specific to each country, a general pattern can be outline based on some preliminary results. After the 1960s, there is a sharp increase in the enrollment of students followed by a leveling–off. This is a typical structure encountered in innovation of epidemic studies of diffusion.

What is interesting is the socio–economic dynamics behind these broad trends and patterns that occurred at different points in time, partly due to differences in demographic structure and to the characteristics of each country’s development path.

The Portuguese case is interesting on two counts: first, the path of evolution of higher education institutions is much related to the national history, namely the evolution of the state and the implementation of the republic (1910), the dictatorship (1926) and the democracy (1974) and, second, the higher education system is deeply related not just to the state policies but to economic and social variables, namely social classes and professional groups.

Although, as we have highlighted above, Veblen cannot be directly applied to the Portuguese case, his hypothesis and the social mechanisms he invoked are enlightening.

We could say that one of the central problems of the universities and institutions studied is not one of bureaucracy, in the sense given by Max Weber, but one of lack of it. Too much interaction and decision (employment control, renewal of contracts, promotion, admission) are based on personal relations and acquaintances and not very much on impersonal relations or mechanisms that mitigate phenomena such as favoritism and the
likes. Those interactions are named as the following: inbreeding, endogamy and locally *amizade, cunha* or *caciquismo*. For the selection of professors in four institutions, the ceremonially aspects are obvious, like the ceremony proper, the official meeting of selection, the redaction of the official document justifying the choices but the real reasons are just apparent and are not known before we made interviews to go beyond the rumors. The official documents contain typically more justification of the people that make the selection, answering the question why we have chosen these very members of the jury, than an appreciation of the candidate’s merits. The various elements of the jury are also justified, in all cases, on the basis of the argument of authority and formal qualities (holder of a Ph.D for example, publications in the area of the examination, teachers of the same classes, etc.).

At this point the interviews help to detect the ceremonial cases in which the administrative act, with the official and formal document, is the enactment of a less than meritorious decision. The documents that we could look at the courts show very often that the formal documents contained irregularities that could be damaging for the candidate if the decision of the president of the court ruled the examination or selection to be legally flawed. From the selection meeting to the courts, one key variable was the rumor, at least that is one thing we could identify clearly in two cases studied. Rumors are in these cases a way to voice one’s frustration or dissatisfaction with a decision that was judged either as professionally, or as professionally, or as legally flawed.

**Conclusions**

From our analysis of the higher education in Portugal, we have used some concepts of Veblen’s analysis of the American universities. We have adapted it to include the notion

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3 A network analysis would be useful but it is beyond the scope of the present research and delicate to endeavor. See also the note nº 5 below.
4 All these words mean, respectively, friendship, influence and local control of power.
5 The rumors are very interesting in the present cases. They are very often part of the “truth”, of what happened and is a way of regulating a system that has many deficiencies. Rumors compensate for the lack of transparency of selection processes and are a common element that exercises pressure on the jury for justifying very well its choice. This theme is worth further research. Often, the rumors are carried over by an adversary that failed or that pertains to another clique or group.
of ceremonial adequacy into a framework that integrates other notions and mechanisms such as exit, voice and loyalty.

References


