
Cultural Democracy: universities in the creative economy

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ABSTRACT The influence of globalization on institutions of higher education is one of the leading topics in educational policy today. As the nexus of innovation increasingly moves from labor-intensive 'smokestack industries' to 'mind work', education is becoming critical to policy discussions on economic growth. Tracing current discourse on the 'corporatization' of higher education, this article suggests that the challenge for reconceptualizing the university today is linked to changes in the global economy. Alongside discourse on a global knowledge economy, many scholars now point to the increasing importance of creativity and a creative economy. Examining higher education from the perspective of a creative economy, the author explores the need to better understand the linkages between democracy and innovation.

In the contemporary world, a new development paradigm is emerging that links the economy and culture, embracing economic, cultural, technological and social aspects of development at both the macro and micro levels. Central to the new paradigm is the fact that creativity, knowledge and access to information are increasingly recognized as powerful engines driving economic growth and promoting development in a globalizing world. 'Creativity' in this context refers to the formulation of new ideas and to the application of these ideas to produce original works of art and cultural products, functional creations, scientific inventions and technological innovations. There is thus an economic aspect to creativity, observable in the way it contributes to entrepreneurship, fosters innovation, enhances productivity and promotes economic growth. (United Nations Commission for Trade, Aid and Development [UNCTAD], 2008, p. 11)

Introduction

The influence of globalization on institutions of higher education is one of the leading topics in educational policy today. As the nexus of innovation increasingly moves from labor-intensive 'smokestack' industries to 'mind work', education is becoming critical to policy discussions on economic growth. Tracing current discourse on the 'corporatization' of higher education, this article will suggest that the challenge for reconceptualizing the university today is linked to changes in the global economy. Alongside discourse on a global knowledge economy, many scholars now point to the increasing importance of creativity and a creative economy (Howkins, 2001; Florida, 2004, 2007). Richard Florida (2007), for example, has argued that a creative class made up of artists, designers and intellectuals is an ascendant force in capitalist countries. Examining higher education from the perspective of a creative economy, I will explore the need to better understand the linkages between democracy and innovation.

Globalization and the Knowledge Economy

Just as the assembly line shifted the critical factor of production from labor to capital, today the computer is shifting the critical factor of production from capital to knowledge (Halal, 1998). From high-tech engineering and just-in-time manufacturing to automated assembly and product customization, the knowledge economy is characterized as a new mode of capitalist production (Womack et al, 1991; Castells, 1996). Quantified in terms of its capacity to facilitate innovation and advance overall economic performance, knowledge is now viewed as the key capital resource.

For theorists like Alvin Toffler (1990) and Peter Drucker (1993), this new mode of economy represents a socio-economic shift from 'smokestack industries' to 'mind work'. While Fordist manufacturing is maintained as a necessary instrument in capitalist production, it no longer serves as the economic engine. This is not to say that industrial manufacturing is disappearing (as if that were possible), but that innovation is now the driving force of capitalism.

Global Shift

In his recent book *A Whole New Mind*, Daniel Pink (2005) outlines several changes to the global economy that he believes are having a major impact on advanced capitalist countries. As he suggests, globalization is reconfiguring the world economy, shifting knowledge-based innovation eastward:

For nearly a century, Western society in general, and American society in particular, has been dominated by a form of thinking and an approach to life that is narrowly reductive and deeply analytical. Ours has been the age of the 'knowledge worker,' the well-educated manipulator of information and deployer of expertise. But that is changing. Thanks to an array of forces – material abundance that is deepening our nonmaterial yearnings, globalization that is shipping white collar work overseas, and powerful technologies that are eliminating certain kinds of work altogether – we are entering a new age. (Pink, 2005, p. 2)

In Pink's view, the knowledge economy has already peaked in advanced countries and is now, in fact, migrating to Asia and elsewhere. This is not to say that logic and computation are no longer critical to innovation, but that these functions are no longer sufficient to stimulate economic growth in industrialized countries. These capacities (what Pink describes as 'left-brain-directed' skills) are instead now migrating downstream to developing countries or simply becoming embedded in information and communication technologies (ICTs).

Economic Crisis and the Rise of Asia

Global competition in manufacturing, especially in high-tech products, has resulted in a steady deindustrialization of advanced capitalist countries. The growing dominance of Indian software, Korean hardware and Chinese industrial manufacture, for example, is reordering the organization and distribution of global economic power. Many scholars now believe that globalization has entered a new phase in which newly industrializing countries have a significant comparative advantage. Much as the routine mass-production work that went before it, knowledge-based services in software, accounting, finance, telecommunications and health care are increasingly shifting to newly industrializing countries. For several decades, Frank (1998) and others have predicted a long-term shift in which global economic power is gravitating to Asia. This trend will only deepen as education in newly industrializing countries continues to improve. What is obvious is that a rising tide of knowledge workers outside industrialized countries is undermining many of the central arguments for a Western-biased knowledge economy.

The recent economic crisis in the USA and Europe has added a new layer of challenges to the economic dominance of industrialized countries. It is increasingly possible that the current financial crisis in the USA and Europe is precipitating the deepest slump since the 1930s. Even the most optimistic forecasts expect the US economy to contract for at least the next three quarters. Since

interest rates in the USA and Europe are already extremely low, many economists suggest that the usual government tools for stimulating a recovery are either unavailable or unlikely to work.

The crash of 2008 has inflicted profound damage on Western countries and the global economy as a whole. The International Monetary Fund (IMF) projects that worldwide financial losses could top US\$4 trillion in 2010, with damage in US assets alone reaching US\$2.7 trillion and losses in European assets expected to reach US\$1.2 trillion (IMF, 2009, p. xv). In a recent article for *Foreign Affairs*, Roger Altman (2009) outlines some of the geopolitical consequences of the current crisis. As he concludes, the Western-dominated international financial system has been devastated. Much of the capital in the international banking system has been wiped out. Global credit flows have completely shut down. While the US share of world gross domestic product (GDP) has been declining for the past seven straight years, its geopolitical authority has now been undermined.

What is obvious is that US and European governments 'have neither the resources nor the economic credibility to play the role in global affairs that they otherwise would have played' (Altman, 2009, p. 1). In response to the financial crisis, central banks in the USA and Europe have injected a total of US\$2.5 trillion of liquidity into the credit markets (by far the biggest monetary intervention in world history). China, on the other hand, has been relatively insulated from the Western economic crisis. While experiencing its own economic slowdown, China's financial system is relatively undamaged. Its foreign exchange reserves are approaching US\$2 trillion, making it the world's strongest country in terms of liquidity. As Altman elaborates, in financial terms China is little affected by the Western contagion:

Its entire financial system plays a relatively small role in its economy, and it apparently has no exposure to the toxic assets that have brought the U.S. and European banking systems to their knees. China also runs a budget surplus and a very large current account surplus, and it carries little government debt. Chinese households save an astonishing 40 percent of their incomes. And China's \$2 trillion portfolio of foreign exchange reserves grew by \$700 billion last year, thanks to the country's current account surplus and foreign direct investment. (Altman, 2009, p. 5)

As the axis of the Asian economy, China now has 'the opportunity to solidify its strategic advantages as the United States and Europe struggle to recover' (Altman, 2009, p. 1). Largely driven by domestic demand, the IMF forecasts Chinese GDP to continue to grow at a rate of 8.5%. With China's GDP projected to become the largest in the world in the next three decades, East Asia's geopolitical importance is growing exponentially. At the same time, the credibility of Anglo-American laissez-faire capitalism has all but evaporated. As China and the Association of Southeast Asian Nations (ASEAN) move closer to building the world's largest free-trade area, advanced countries in the West are now finding themselves facing a daunting future.

Rise of the Creative Economy?

What is obvious is that increasing decline in the output of Western-manufactured goods traded on international markets has led to a significant change in the pattern of world trade. One very important question that advanced countries must begin to seriously consider today is: What next? What remains for industrialized countries 'after we have mechanized agriculture, industry, and messaging technologies?' (Lévy, 1997, p. 31). Alongside discourse on a knowledge economy, many economists are now pointing to the increasing importance of creativity and a *creative economy*. Richard Florida (2007), for example, has argued that a new creative class made up of intellectuals, artists and designers is an ascendant force today, which he believes is reshaping advanced countries. He elaborates:

In 1900, creative workers made up only about 10 percent of the U.S. workforce. By 1980, that figure had risen to nearly 20 percent. Today, almost 40 million workers – some 30 percent of the workforce – are employed in the creative sector ... When we divide the economy into three sectors – the creative, manufacturing and service sectors – and add up all the wages and salaries paid, the creative sector accounts for nearly half of all wage and salary

income in the United States. That's nearly \$2 trillion, almost as much as manufacturing and services combined. (Florida, 2007, pp. 29-30)

At the broadest level, the creative economy refers to industries that generate intangible goods (knowledge, information, imagination, ideas). Made up of a cluster of industries at the crossroads of the arts, culture, business, education, science and technology, the creative economy constitutes a complex and varied field of creativity and innovation: ranging from copyright industries like publishing, music, the visual/performing arts, film, media, architecture, advertising and design on the one hand, to patent industries like engineering, biotechnology, information technology, pharmaceuticals, electronics and advanced materials on the other.

Underlying theories of the creative economy is an argument that creativity is now the key driver of economic growth. Howkins puts it this way:

This sums up the creative economy. The raw material is human talent: the talent to have new and original ideas and turn those ideas into economic capital and saleable products ...

Creative products are the basis not only of information and new technologies but of the entire modern economy, from software to shoes. (Howkins, 2001, p. 213)

Building out from a 'super-creative core' of scientists, engineers, architects, designers, musicians, artists, educators and entertainers, Florida (2002, 2004, 2007) contends that the creative economy constitutes 30% of the US workforce (with the super-creative core representing only 12% and a larger contingent of creative professionals in business, finance, health, law, accounting and related professions representing 18%).

One major reason for the increasing interest in creative industries is their growing share of the global economy. US creative industries (defined exclusively in terms of art, media and design), for example, are estimated to make up 8% of national GDP, outstripping automobile production, aircraft production, agriculture, electronics and computer technologies (Siwek, 2002). The annual growth rate of creative industries in member countries of the Organisation for Economic Co-operation and Development during the 1990s was twice that of the service industries overall and four times that of manufacturing overall (Howkins, 2001, p. xvi).

The Education Industry

While definitions of the creative economy vary, the key component of its growing importance is the convergence of creativity and commercial industry in the context of innovation and a talent-driven global economy. Perhaps no institution is more central to this economic engine than the university. As a recent World Bank report outlines:

As the 21st century opens, tertiary education is facing unprecedented challenges, arising from the convergent impacts of globalization, the increasing importance of knowledge as a principal driver of growth, and the information and communication revolution. But opportunities are emerging from these challenges. The role of education in general, and of tertiary education in particular, is now more influential than ever in the construction of knowledge economies and democratic societies. Tertiary education is indeed central to the creation of the intellectual capacity on which knowledge production and utilization depend and to the promotion of the lifelong-learning practices necessary for updating people's knowledge and skills. (World Bank, 2002, p. 1)

The enormous growth of this higher education marketplace has put tremendous pressure on universities to begin to emulate corporate institutions. The World Bank calculates that global spending on higher education amounts to US\$300 billion per year, or 1% of global economic output ('The Brains Business', 2005, p. 4). There are over 80 million university students in the world today, with international students alone contributing US\$13 billion a year to the US GDP ('Wandering Scholars', 2005, p. 18). While many scholars argue that universities still remain independent of the commercial market (Slaughter & Rhoades, 2004), the reality is that education has become a competitive global industry. As Slaughter & Rhoades observe:

Like corporations, colleges and universities have begun to treat knowledge as a raw material. Prior to 1981, fewer than 250 patents were issued to universities per year. In 1999, colleges and universities filed 5,545 patents. In 1978, several universities permitted acquisition of equity in companies licensing their technology; by 2000, 70 percent of a sample of sixty-seven research universities had participated in at least one equity deal. (Slaughter & Rhoades, 2004, p. 17)

In the global education marketplace, corporate universities have emerged as industry leaders. Moving beyond traditional conceptions of education, companies like Boeing, Motorola, IBM and Microsoft have begun to develop indigenous capacities for education and training. From 1993 to 2001, the number of corporate universities grew from an estimated 400 to over 2000 (Hearn, 2001). In developing countries in particular, primary, secondary and tertiary education have become highly profitable markets for private industry (Cowan, 1990; Bray, 1996).

In countries such as Colombia, 28 per cent of total enrollment in kindergarten and primary education is in the private sector, increasing to 40 per cent at secondary school level; in Argentina and Cote d'Ivoire 30 per cent and 57 per cent respectively of secondary school enrollment is in the private sector; Indonesia has 23 per cent private primary and secondary school students, and currently a massive 94 per cent of private higher education students. (Tooley, 1999, p. 11)

Focusing on brand recognition and investment in technology, private educational providers have emerged in local, regional and international markets around the world. One of the most striking examples of this is the National Institute for Information Technology (NIIT) in India. Primarily focused on undergraduate training in computer science and related technologies, the NIIT typifies the dramatic growth of corporate education. The NIIT has 400 campuses within India and has expanded into China, Malaysia, Indonesia, the United Arab Emirates and Botswana.

In the USA, the best-known example of corporate university training is the University of Phoenix (UOP). Founded in 1976 by John Sperling, the UOP has become one of the most highly regarded corporate universities in the world. With 240,000 students around the globe, the UOP caters to working adults, many of whom are employed by transnational corporations (TNCs) such as AT&T, Boeing, IBM, Intel, Lockheed Martin and Motorola (Breen, 2003). Heavily invested in online education, the UOP is now the largest university in the USA. In 2005, the UOP's corporate parent, the Apollo Group, reported company revenues of US\$1.8 billion ('Higher Ed., Inc.', 2005, p. 19). The UOP spans 170 campuses across the USA, Canada, Mexico and Puerto Rico ('Higher Ed., Inc.', 2005, p. 19) and is actively expanding into regions around the world.

For many advocates, corporate education represents the next generation of institutional learning (Tooley, 1999). In this rapidly changing environment, both for-profit and not-for-profit educational institutions have begun expanding into emerging markets in Asia, the Middle East and eastern Europe. Even high-profile US schools, such as Cornell, the Massachusetts Institute of Technology, the University of Chicago, Stanford and Johns Hopkins, have established experimental franchise programs outside the USA (Hvistendahl, 2009).

Globalization and the University

Universities are now seen as key drivers of the global economy. As Peters & Besley (2006, p. 83) observe: 'higher education has become the new starship in the policy fleet for governments around the world'. Higher education has become central to economic growth and access to higher education has become critical to the acquisition of wealth and power.

In many respects, the mission of the public university is no more. Far removed from the spiritual mission that knowledge construction represented within the medieval university, knowledge has now become a major commercial industry. For many scholars (Bok, 2003; Kirp, 2003), this corporatization of the university reflects a larger trend in which universities have become little more than 'knowledge factories' (Aronowitz, 2000; Slaughter & Rhoades, 2004). As Giroux elaborates:

In the name of efficiency, educational consultants all over America advise their clients to act like corporations selling products and to seek 'market niches' to save themselves. Within this corporatized regime, management models of decision making replace faculty governance. Once constrained by the concept of 'shared' governance in the past decade, administrations have taken more power and reduced faculty-controlled governance institutions to an advisory status. (Giroux, 2001, p. 3)

For the past two hundred years, research universities have served as critical pillars in the growth and evolution of the nation state. Today, this function has changed significantly. As Readings elaborates:

The current shift in the role of the University is, above all, determined by the decline of the national cultural mission that has up to now provided its *raison d'être* ... In short, the University is becoming a different kind of institution, one that is no longer linked to the destiny of the nation-state by virtue of its role as producer, protector, and inculcator of an idea of national culture. The process of economic globalization brings with it the relative decline of the nation-state as the prime instance of the reproduction of capital around the world. For its part, the University is becoming a transnational bureaucratic corporation. (Readings, 1996, p. 3)

As Readings (1996, p. 13) observes: 'the University no longer has to safeguard and propagate a national culture because the nation-state is no longer the major site at which capital reproduces itself. In the wake of globalization, the economy is more and more the 'concern of transnational entities who transfer capital in search of profit without regard to national boundaries' (Readings, 1996, p. 47). In the view of many (Slaughter & Leslie, 1997; Aronowitz, 2000; Giroux, 2001; Waks, 2002; Slaughter & Rhoades, 2004), globalization is transforming the modern university from a state appendage into a global corporation.

As the dominance of the corporate administration of the university increases, the implications for collaborative decision making are becoming obvious. Commentators point out (Block, 1996; Livingstone, 1999; Giroux, 2001) that the capitalist organization remains a highly autocratic institution. Regardless of calls for internal restructuring, there has been little change in the organization of capitalist production since its inception. Rhetorical discussions surrounding the economic benefits of knowledge workers (Becker, 1964; Drucker, 1993; Klein, 2000) have had little impact on top-down governance (Livingstone, 1999). The hard reality is that 'human capital' remains largely submerged beneath layers of caste-based command and control.

Globalization and Democracy

For many thinkers, globalization represents the hallmark of a transition between two eras: an era of competing nation states and an era of borderless global capital (Albrow, 1997; Teeple, 2000). It is both the sheer size and scope of globalization that have established it as the issue of our time. Rivaling nation states in economic power, global corporations now account for over 33% of world output and 66% of world trade (Gray, 1998, p. 62). More importantly, TNCs with headquarters in the USA, Europe and Japan now manage production and distribution networks across the planet. At the same time, nascent TNCs in newly industrializing countries like South Korea, India and China have become globally competitive in industries as widespread as textiles, electronics, automobiles, transportation, information technology and telecommunications. TNCs, for example, now control much of the world's investment capital, technology and access to international markets (Steger, 2003, p. 48). As Miyoshi (1993) contends, rising in place of a 'multinational' world order is a complex web of transnational agents that are together forging a single global system.

In response to the corporation's centralized system of governance, various critics (Halal, 1998; Dyer-Witthford, 2000; Tapscott & Williams, 2006) point to the need for democratic alternatives. As Giroux (2001) contends, the challenge facing the university is the need to move beyond the commodification of knowledge and retrieve the university's role as an anchor for public democracy. He summarizes his argument this way: 'higher education should be defended as both a

public good and an autonomous sphere for the development of a critical and productive democratic citizenry' (Giroux, 2001, p. 2).

At the same time, the 'public good' that scholars like Giroux advocate is now contested. Where previous interpretations of the public good enshrined the white male at its center, critics argue that the fecundity of democratic discourse depends upon cultural diversity. It is no longer self-evident (assuming that it ever was) that nations are self-contained 'civilizations' (Huntington, 1996). Scholarly attempts to distinguish between foreign and domestic, inside and outside, are becoming more and more suspect (Blaut, 1993; Hardt & Negri, 2001). As a consequence, projects to register normative frameworks around justice and the public good are inevitably becoming global projects (Falk & Strauss, 2001; Hardt & Negri, 2004). While political and cultural boundaries established over the past three centuries remain fixed to the state, the legitimacy of the state system itself is now contested (Ignatieff, 2001; Beck, 2002).

As Jürgen Habermas observes, where advanced capitalist countries could once oversee national economies, they now find themselves grappling with markets that overflow national boundaries:

Developmental trends collected under the catchphrase 'globalization' have transformed a historical constellation that had defined state, society and economy as more or less coextensive within national boundaries. In the wake of market globalization, the *international* economic system – in which states establish the boundary between their domestic economies and foreign trade relations – has been transformed into a *transnational* economy ... These facts explain why national-state actors are no longer the nodal points that give global economic exchange the form of interstate or international relations. States are now embedded in markets, rather than national economies being embedded in state borders. (Habermas, 2003, pp. 87-88)

As Habermas (2003, p. 91) explains, the consequences of global restructuring are not merely seen in challenges to the post-war project of the welfare state, but in emergent challenges to democratic self-government itself: 'National governments are losing their capacity to exploit the tax resources of their domestic economies, to stimulate growth, and therefore to secure the basis of their own legitimacy.' Seen in this light, the collective self-determination provided by the democratic state seems to be on the wane. Against neo-liberal calls to subordinate states to the imperatives of the global market, various thinkers (Singer, 2002; Beck, 2002; Keane, 2003; Held, 2003; Cooper, 2003) make the case for cosmopolitan governance:

[I]n the search for a solution to the dilemma between the disarmament of social-state democracy and the rearmament of the nation-state, this demand draws our attention to larger political entities and transnational regimes that might be able to compensate for the functional loss of the nation-state without breaking the chain of democratic legitimacy. The European Union, of course, offers itself as an initial example for a form of democracy beyond the nation-state ... Politics will succeed in 'catching up' with globalized markets only if there is a broader prospect for creating a stable infrastructure for a global domestic policy, one that is nevertheless not completely decoupled from processes of democratic legitimation. (Habermas, 2003, p. 94)

Political cosmopolitans like David Held (2003), for example, argue that the next phase in political governance is cosmopolitan democracy. For cosmopolitans, global governance is envisioned as a single multilevel continuum in which emergent layers administer ever-larger constituencies. In a cosmopolitan system, for example, individuals have multiple identities, and thus multiple responsibilities, from the local to the global. As Nick Stevenson explains:

Cosmopolitan multilateralism takes as its starting point a world of 'overlapping communities of fate'. Recognizing the complex structures of an interconnected world, it views certain issues – such as housing, sanitation and policing – as appropriate for spatially delimited political spheres (the city, region or state), while it sees others – such as the environment, world health and economic regulation – as requiring new, more extensive institutions to address them. (Stevenson, 2002, p. 475)

There are several criticisms of this approach, however. Paul Hirst (2002), for example, argues that cosmopolitanism is an ideal that lacks practical merit. He points to the fact that global governance necessitates a division of labor in decision making and argues that cosmopolitans fail to acknowledge the need for formal leadership. As he suggests, global democracy cannot function without some form of political oversight. For this reason, Hirst suggests that a reworking of the state system is preferable to the bloated bureaucracy of cosmopolitan government. Adding to this, critical theorists – particularly postmodernists – contend that cosmopolitanism is little more than a cultural project wedded to a kind of liberal utopianism. For these thinkers, the modernist project merely masks a kind of European cultural imperialism. As Nederveen Pieterse comments, universalist claims of political liberation can often obscure a range of pathological behavior:

Cosmopolitanism is often cosmopolitanism from above – extrapolating from existing institutions, translated into general principles. How often are cosmopolitan claims an imposition of ethnocentric norms? According to Ashis Nandy (1989) the dominance of human rights discourse produces the ‘standardization of dissent’. Parochialism dressed up as universalism is well-established in relation to the Enlightenment, progress, civilization, rationality, modernity and further in liberalism, democracy, development, human rights, good governance, etc. Recognizing this is one of the boundaries that separates modern and postmodern thinking. Universalist claims can be an expression of unreflexive ethnocentrism (a genuine belief that conversion produces redemption), ethnocentrism in disguise (civilization, reason) or a plain disciplinary regime (the march of progress). In the debate ‘is multiculturalism good for women?’ (Okin 1999) some western feminists place themselves as cultural arbiters. Some of the terms of debate reflect western feminist standards, which has been criticized as ‘imperial liberalism’. (Nederveen Pieterse, 2006, p. 1253)

If cosmopolitanism is to gather broad support, it will have to confront these criticisms.

Democracy and the University

While it may be true that contemporary social and political institutions remain anchored to the nation state, discourse on globalization and the rise of a global market has begun to problematize the nature and trajectory of the state (Ohmae, 1995; Castells, 1996). As Anne-Marie Slaughter writes, today we face a ‘globalization paradox’:

Peoples and their governments around the world need global institutions to solve collective problems that can only be addressed on a global scale. They must be able to make and enforce global rules on a variety of subjects and through a variety of means ... Yet world government is both infeasible and undesirable. The size and scope of such a government presents an unavoidable and dangerous threat to individual liberty. Further, the diversity of the peoples to be governed makes it almost impossible to conceive of a global demos. No form of democracy within the current global repertoire seems capable of overcoming these obstacles. (Slaughter, 2004, p. 8)

What many thinkers point out is that as we move beyond the fixed frame of nation and state, the very real challenges of global inequality become obvious. For cosmopolitans, solutions to social, political and economic inequality necessarily entail developing shared modes of sociocultural development. Since education is increasingly becoming the only path to social and economic mobility, universities have become particularly important locations for conceptualizing global justice.

Rising calls for democratic accountability within the global economy have brought to light fundamental questions regarding the purpose and function of the university. For many thinkers, the major point of contention is between the university as an incubator for economic growth (human capital) and the university as a medium for cultural development (public discourse). It seems clear, however, that both goals are necessary to nurture healthy and prosperous societies. It might be more fruitful to frame the question in terms of globalization itself. Rather than building on a narrow debate that pits culture against skills, it would be worthwhile to consider the

underlying dynamic of an emerging global society. Put differently, the question we might consider is: What is the role of the university in a global age?

What we know today is that half of the world's students currently live in developing countries, where demand for education is growing at exponential rates ('Wandering Scholars', 2005, p. 16). Beyond traditional, state-centric conceptions of education, however, many scholars advocate teaching students to be global citizens. Beyond fixed conceptions of citizenship, cosmopolitans advocate broadening conceptions of patriotism to encompass humanity as a whole (Nussbaum, 2002). At the same time, the challenge posed by cultural relativity and the question of identity undermines any single standard for addressing collective sociocultural development.

Advocates of political cosmopolitanism like Habermas and Nussbaum suggest that the stress on state institutionalizations of public democracy in the wake of globalization has made cosmopolitanism the next obvious phase in the realization of democratic self-government. There is a considerable problem with this argument, however. While public democracy is clearly fundamental to the modern world view, it is necessarily embedded in a European socio-cognitive model of political practice. In a genuinely global age, it must be recognized that multiple cultural practices, including political practices, form overlapping dimensions of the global landscape. From this perspective, it is not merely questions about democratic governance that need to be resolved, but questions about liberal democracy as a uniquely European cultural practice. Put differently, any argument for cosmopolitan democracy must first be unpacked in the domain of culture.

Globalization and Culture

As Nederveen Pieterse (2003) suggests, our contemporary notion of culture combines two somewhat contradictory understandings. The first concept of culture (culture 1) assumes that culture stems from a learning process that is geographically fixed:

This is culture in the sense of *a culture*, that is, the culture of a society or social group: a notion that goes back to nineteenth-century romanticism and that has been elaborated in twentieth-century anthropology, in particular cultural relativism – with the notions of culture as a whole, a Gestalt, configuration. (Nederveen Pieterse, 2003, p. 78)

Unlike this self-contained and perpetually colliding notion of culture, however, a second approach to defining culture understands it to be something more akin to a shared and evolving social practice. This is a wider understanding of culture (culture 2), which views it as general human 'software', more akin to creative flows than locally bounded knowledge. In this second notion, culture is more closely linked to translocal learning processes and to theories of evolution and diffusion (Nederveen Pieterse, 2003, p. 78). Borrowing from this anthropological understanding, we might understand the term 'culture' (*cultura*, 'to cultivate') to refer to culture 2 – to learned social practices that give human groupings a sense of value and meaning.

While, at one level, culture distinguishes one human group from another, at a deeper anthropological level, culture represents the ideas and tools employed by the entire human species (Lenski et al, 1995). As Nederveen Pieterse (2003) points out, these two viewpoints are not incompatible. Culture 2 finds expression in culture 1. Nonetheless, both interpretations are rooted in shifting ontological and epistemological boundaries. In this sense, the concept of culture may be linked to territorial and/or historical contingencies, but is not reduced to them.

Cultural Democracy and the University

If cosmopolitan democracy is to be grounded in a genuinely democratic recognition of human cultural variation, then it must be adapted to the multiple cultural practices that constitute 'the world'. Put differently, it is not merely political democracy that must be considered in the context of a global age, but *cultural democracy*.

While political cosmopolitanism anchors democracy to European cultural practices, cultural democracy explores the ongoing development of cultural practices themselves. From the perspective of cultural democracy, cultural practices are assumed to be open-ended and mutable.

Born and continuously transformed over the course of history, all cultural practices are inherently democratic because all cultural practices are continuously undergoing change and mutation. In this same way, this article argues that the ongoing evolution of the university should be anchored to the transformation of culture.

Contemporary growth theorists argue that innovation is measured in terms of human capital. Unlike traditional factors of production, however, knowledge and creativity are not stocks, but *flows*. Commentators on the creative economy put it this way:

From an economic point of view, creativity is a form of capital – call it ‘creative capital’. Economists have long thought in terms of different types of capital: physical capital (raw materials), investment capital (finance), land (functional property), human capital (educated people), and social capital (the kind that comes from people acting in groups) ... In the creative age, real economic growth requires more than a degree ... For an economy to grow and prosper, all types of organizations – individuals, firms, cities, states, and even nations – must nurture, harness, mobilize, and invest in creativity across the board. (Florida, 2007, pp. 32-33)

As Howkins (2001) suggests, creative capital is somewhat different from human capital. While creative capital may be implicit in conceptions of human capital, creativity is more than education and training. It has become fairly commonplace to say that creativity and innovation rest on cultural experimentation. In the context of lived reality, however, one can view various local cultures as ‘experiments’ with cultural innovation: ‘The more experiments humanity constructs, in other words the greater the cultural diversity, the more knowledgeable and innovative we are likely to be’ (Griffin, 2000, p. 193).

What stokes this process and what sustains it? The answer, according to Florida (in Florida et al, 2006, p. 6), lies in a community’s capacity for openness, or ‘absorptive capacity’. In his view, tolerance for diversity and ‘low barriers to entry’ attract and absorb talent while supporting the rich environments that nurture creativity and innovation.

John Holden (2008) makes a similar argument in his article ‘Democratic Culture: opening up the arts to everyone’. He describes cultural democracy in this way:

Democratic culture is not an unattainable high ideal, nor is it ... synonymous with debased quality. Rather, it is something that should be an essential part of a wider political democracy. A community of self-governing citizens, a *demos*, understands, creates and reinvigorates itself through culture. It is only when we have a cultural democracy, where everyone has the same capacity and opportunity to take part in cultural life, that we will have a chance of obtaining a true political democracy. (Holden, 2008, p. 34)

As Holden explains, political democracy is interdependent with cultural democracy: ‘if democracy is desirable in the political system’, he asks, ‘why shouldn’t it be equally desirable in the cultural sphere as well?’ (p. 9). Holden is very critical of arguments for ‘excellence’ and ‘quality’ that serve as cover for maintaining the superiority of an elite. In his view, cultural democracy is envisioned as an antidote to this.

Educational Policy in the Creative Economy

As the global economy enters a new phase, cultural innovation is becoming an increasingly critical component of economic competitiveness. As Florida writes:

We can no longer succeed – or even tread water – with an education system handed down to us from the industrial age, since what we no longer need is assembly-line workers. We need one that instead reflects and reinforces the values, priorities, and requirements of the creative age. Education reform must, at its core, make schools into places where human creativity is cultivated and can flourish. (Florida, 2004, p. 31)

It is certainly true that all human beings are creative – this is a basic capacity of the human species, grounded in its ability to adapt and evolve. Unfortunately, it is only a small minority of people in

the world today who are able to tap this creativity. In this sense, scholars like Florida are entirely correct when they suggest that the great challenge before us today is to develop the systems and policies that harness the creative capacities which lie within all human beings.

New policy and planning programs are critical to making the creation of culture broadly accessible to all and not reserved for a wealthy elite. As peoples and governments begin to ponder the consequences of the recent collapse of the laissez-faire capitalism in the USA, Britain and elsewhere, it is becoming obvious that developing coherent policy prescriptions for cultural innovation is now critical to long-term social and economic sustainability. One of the major questions that we must begin to answer today is: What systems, policies and structures are most conducive to making it possible for the largest number of people in a society to participate in the creation and development of new cultural forms?

As the nexus of economic growth increasingly moves from labor-intensive 'smokestack industries' to 'mind work', education is becoming critical to both incubating culture and harvesting creative innovation. Much as the factory was the core institution of the industrial age, schools and universities may well be the core institutions of the innovation age. In many respects, however, the university is now outmoded. Designed for the industrial age, the modern university was shaped for the needs of the nation state: knowledge was perceived as a local commodity and competition between schools mirrored competition in the rest of the marketplace. In a global age, however, the isolated nation state is being reshaped by global networks of trade and integration (Toffler, 1990; Castells, 1996). Rather than islands of concentrated knowledge in support of the nation state, universities must now become linked arteries in support of creative cultural innovation.

Cultural Creativity and Hybridity

As the systems theorist Ervin Laszlo (1987) points out, cultural creativity is intimately linked with trade and social intercourse. As peoples and ideas move across the planet, so too do culturally embedded social practices. This sociocultural intermingling is important to understanding the economic dimensions of innovation. As Zachary (2000, p. 58) suggests, cultural creativity depends on diversity: 'diverse groups produce diverse thinking. Ergo, diversity promotes creativity.' From this perspective, economic growth is dependent upon cultural experimentation and this translates as communities that are shaped by ideas and imagination, rather than strictly inherited cultural patterns. Nederveen Pieterse (2003) characterizes this cultural experimentation as *hybridization*. In his view, hybridization not only refers to the criss-crossing of cultures (culture 1) but to the emergence of new cultural forms (culture 2).

In concrete terms, hybridization refers to both the historical and contemporary blending of peoples and practices. While most assessments of globalization, for example, are confined to a narrow time frame (modernity), Nederveen Pieterse (2003) explores globalization in broader anthropological terms. As he explains, globalization 'belongs to a deep dynamic in which shifting civilizational centers are but the front stage of history', with ongoing intercultural traffic forming the backdrop (p. 25). He elaborates:

The evolutionary backdrop of our common origins in Africa confirms that humanity is a hybrid species. The species' subsequent 'clustering' in different regions of the world has not precluded large-scale contact and population movements across and between continents (Gamble 1993). This mixed heritage is confirmed by the 'cultures' identified by archaeologists which in Paleolithic and Neolithic times sprawl widely and do not coincide with the boundaries of much later times. The diffusion of technologies – of pastoralism, agriculture, horse riding, the stirrup, chariot, saddle, bow and arrow, bronze and iron, and so forth ... Half the world's population speaks languages that derive from a single common root ... In other words, our foundations are profoundly, structurally and inherently mixed, and it could not be otherwise. Mixing is intrinsic to the evolution of the species. (Nederveen Pieterse, 2006, pp. 100-101)

Examining the *longue durée* of human history, we find multiple patterns of hybridization/globalization, with modernity forming only the most recent example. Changing

course over time, it is the rich flows of peoples, tools, and ideas that enable the emergence of the world's metropolitan centers:

In this sense none of the achievements of the world's civilizational centers are local or regional achievements: they are interregional achievements that are incomprehensible without their cross-cultural infrastructure. Human memory retains the façade but overlooks the back entrances, remembers the peak but not the climb. (Nederveen Pieterse, 2003, p. 28)

While globalization is often dismissed as mere westernization, Nederveen Pieterse (2003) argues that this kind of analysis is historically shallow. While boundaries come and go, the confluence of peoples and ideas is enduring. Throughout history we see the merger and birth of new civilizations arising at the confluence of great rivers, along deltas or alongside networks of trading routes. Whether tracing the founding of Rome, the diffusion of Islam, or the various intercultural revolutions that have driven social changes in India, China and Europe, we see the impact of intercultural trade and conflict. In this sense, the globalization of culture is nothing new.

Education in the Creative Economy

We are entering a new era now; an era in which the major raw materials are not coal and steel produced by machines, but the creative capital of innovation and meaning produced by the human imagination. If Florida (2007; Florida et al, 2006) and Howkins (2001) are correct in their understanding of a changing global economy, then creativity is now fundamental to wealth and prosperity, and cultural collaboration is critical to its growth. Yet, it is precisely creativity that is least valued by contemporary schooling. The basic hierarchical organization of schools today deliberately submerges creativity beneath layers of surveillance and control. This is equally true of our universities. While it was once true that schools and universities effectively distributed the necessary skills for an age of industry (numeracy, literacy, symbol manipulation), it is equally true that these same institutions are not equipped to support the skills and capacities for an age of creativity.

Much as US President Franklin Roosevelt used the New Deal to reform the economic and banking systems in order to construct the infrastructure necessary for the Industrial Revolution, so today must advanced capitalist countries develop the policy framework and infrastructural renewal to reform education for an age of creative innovation.

Like earlier efforts to build canals, railroads, highways, and other physical infrastructure to power industrial growth, the United States and countries around the world must invest in their creative infrastructure if they want to succeed and prosper in the future. (Florida, 2007, p. 249)

The creative economy represents an emergent socio-economic shift that requires strategies for democratizing access to opportunities and rewards.

Education will require an enormously disruptive transformation to move it beyond its roots in nineteenth-century mass education. Yet, the interconnected forces of technology, globalization and cultural hybridity are together democratizing agency, moving authority away from institutions of education and towards learners themselves. The model of education as transmitted content is unraveling. As students become meaning makers in the context of their own trajectories, questions about the formal role of systems of education become problematic.

Rather than understanding education in terms of fixed objects that are transferred from one generation to the next, we need to begin to design educational systems that support knowledge and learning in the context of continuous cultural flows. Education systems designed for industrial societies cannot effectively harness the liquidity of creativity because they are locked down into hierarchical systems. Transferring a fixed body of knowledge and practices from experts to amateurs is contradictory to an economy increasingly dependent on the continuous creation of culture and innovation. Allowing students to combine and blend cultural flows as a part of the larger continuum of cultural production is the foundation for an educational system that must be reconfigured for the creative economy.

Conclusion

Exploring higher education from the perspective of a creative economy, I have argued for the need to reconsider democracy in the context of culture and creativity. Tracing current discourse on the 'corporatization' of higher education, I have suggested that the challenge for reconceptualizing the university is linked to systemic changes in the global economy. As the nexus of economic growth increasingly moves from labor-intensive 'smokestack industries' to 'mind work', education is becoming central to both incubating culture and harvesting creative innovation. Alongside discourse on a knowledge economy, I have highlighted the increasing importance of a creative economy. If Florida and Howkins are correct, then creativity is now fundamental to the continued prosperity of advanced capitalist countries. What is the role of the university in a creative economy? What systems, policies and structures are most conducive to the creation and development of new cultural forms? I believe that cultural democracy in the context of creative experimentation will help us to begin to answer these questions.

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