The Implausible Knowledge Triangle of the Western Balkans

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The Knowledge Economy as a Neoliberal Script
Within the broader process of European integration, which is the pre-eminent political project in the Western Balkans, the Bologna process and the Lisbon Strategy ‘introduced a new and spectacular dynamic into the affairs of higher education in Europe’ (Neave 2002, p. 186), carrying the potential of transforming higher education ‘as fundamentally as the nation state changed the medieval universities’ (Corbett 2005, p. 192). In this analysis, Bologna and Lisbon are taken to further the same four basic objectives—mobility, employability, attractiveness, and competitiveness (see Neave 2002). While Bologna aims to reorganise higher education systems through three-cycle structures, comparable degrees, and qualification frameworks, Lisbon focuses on making Europe a more attractive place to invest and work in, making knowledge and innovation the heart of growth, and creating more and better jobs.

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With the Lisbon Agenda, higher education is supposed to be transformed into a strategic factor of European integration and a fundamental ingredient of competitiveness as a key priority in discourse of the European Union (see Capano and Piattoni 2011). As a result, with the launching of the Lisbon Strategy the university became the core institution of the ‘Europe of Knowledge’ (Gornitzka 2010). The 2000 Lisbon Agenda and its successor policies have proven to be highly consequential for changes in higher education and research policy in Europe, for at least three reasons: they reasserted the role of research and development for economic competitiveness and growth; they underlined the role of education as a core labour market factor as well as a factor of social cohesion; and they shifted the focus of objectives and priorities from the national level to the European one (ibid.). These reform demands were raised in an atmosphere of perceived performance crisis (see Olsen and Maassen 2007), in which something allegedly needed to be done immediately in order for Europe to ‘stay in the game’ of global competition.

If we conceptualise the Lisbon Agenda as a script, that is, ‘a set of generally stated policy principles and ideas that policy actors employ in order to give structure to their interaction and to channel their policy discourse’ (Capano and Piattoni 2011, p. 589), then its corresponding political buzzword is the ‘knowledge-based economy’, while its main components are science-based innovation as the engine of economic development and education as a necessary investment in human capital (see Gornitzka 2010). In a knowledge-based economy, knowledge replaces capital, labour, and natural resources as the central value- and wealth creating factor. Reforms use the language of modernisation, economic functions of the university, and necessary adaptation to economic and technological change, while the university is envisioned as dynamic and adaptive to consumers, giving priority to innovation, entrepreneurship, and market orientation (see Olsen and Maassen 2007). Advancing such a functionalist conception, research becomes a cornerstone of economic competitiveness, while education is perceived through its impact on labour markets, social policy, and overall economic policy. Along the same lines, the university is required to ‘step up its interaction with industry, and as an institution of lifelong learning’ (Gornitzka 2010, p. 178).

In other words, the solution to Europe’s competitiveness problem is sought in neoliberal public sector reforms, ‘celebrating private enterprise and competitive markets’ (Olsen and Maassen 2007, p. 4), whereby the university is reduced to one of the sites in a general rebalancing of power in Europe’s political and economic order. Several interpretations understand the Lisbon Strategy as embedded in neoliberal ideology (e.g., Radaelli 2003; Chalmers and Lodge 2003), whereby the panacea of the market serves as a “solution looking for problems” […] and usually finding them, in all sectors of society’ (Olsen and Maassen 2007, p. 4). Other possible roles of the university, such as developing democratic citizens, social cohesion, or addressing the EU’s democratic deficit, are not addressed within the EU’s programme for higher education and research. Likewise, within the spirit of New Public Management reforms, democratic internal organisation of the university and individual academic freedom are understood as obstacles to good performance.

This being so, researchers have exposed certain important weaknesses in the EU’s grand project of ‘market building’ (Gornitzka et al. 2007). As Johan P. Olsen and Peter Maassen (2007) show, the worry about global competitiveness is centred on the European research-intensive university, which is a minority among several thousands of universities in Europe. If the Lisbon Agenda is a project inclusive of all universities, this opens up the question of the reform arguments that apply to them—are they also underperforming, in what ways, and for what reason? To this we may add the dynamic of core and peripheral states of the EU, as well as its neighbourhood, with respect to the same question. As a more careful analysis shows, instead of being based on evidence and rigorous research, the solutions currently being forwarded are to a large extent based on ‘belief systems’ (Olsen and Maassen 2007, p. 10) derived from the neoliberal script and embodied in the ideal of the US Ivy League University. Proponents of the European university reform ‘usually refer to an imagined US business model, as carried around the world by a multitude of consulting firms and international organisations’ (Olsen and Maassen 2007, p. 13).

To this end, the European Commission promotes the development of knowledge triangles: ‘close, effective links between education, research, and innovation’ through ‘new types of cooperation between education institutions, research organisations and business’ (European Commission n.d.). In order to further this policy, the European Commission established specialised institutions such as the European Institute for Innovation and Technology or the University-Business Forum, and interlaced cooperation between the higher education sector and the business community within all its major funding programmes for higher education and research. In this vision of ‘science based’ economic and social development, technology
transfer offices, science parks, incubators, and spin-offs emerge as the new institutional infrastructure enabling universities to commercialise and capitalise knowledge (see Erzkwizt 2008).

Though, on the one hand, the introduction of the ‘knowledge triangle’ should not pose a threat to the university, as the latter has always had education, research, and innovation as its basic functions, the current rhetoric makes two assumptions that reflect negatively on universities. First, an essentially functionalist reduction of the mission of university to furthering economic growth is recast as the university’s civic role in social and economic development (see, e.g., Erzkwizt 2008). Second, the ‘knowledge triangle’ frame plays ‘panic football’, claiming that the university must be drastically reformed in order to stay in the game (Maassen and Stensaker 2011). The knowledge triangle and its framework discourse of the knowledge-based economy have become a ‘powerful imaginary’ (Jessop 2008), influencing strategies and policy recipes as well as shaping the policy paradigm that guides institutional design and reform objectives in higher education and research. Furthermore, this script re-conceptualises the academic as a technoscientist, presuming ‘a much narrower subjectivity that combines scientific rationality with instrumental and opportunistic sensibility’ (Kenway et al. 2007, p. 125). The privileging of the technoscientist encourages academics across disciplines to restyle themselves according to this image in order not to be perceived as redundant in the new order of things (ibid.).

Assuming that we agree that this functionalist liberal script for university reform is currently the dominant discourse, two important questions arise. First, how does this set of ideas get transferred into policy proposals and reform agendas implemented by national bureaucracies, university management, and academic staff? And second, what happens when this script travels further than its initial logic intends? In order to answer the first question, I will employ the concept of epistemic communities and analyse how it helps us understand the wholesale transfer of the Lisbon Agenda objectives to peripheral European economies of the Western Balkans. In an attempt to reveal the severity of the mismatch between the Lisbon Agenda objectives and the political economies of the Western Balkans, I will analyse, in the second part of the chapter, comparative data on investment in higher education and research as well as state capacity. I will conclude by sketching an argument that attempts to relate this unhappy policy transfer to the elite-driven character of European integration.

**Epistemic Communities as Knowledge-Economy Scripters**

Recently, scholars have come to analyse the Bologna process and the Lisbon Strategy together, as the two main pillars of European integration in higher education (see, e.g., Maassen and Musselin 2009). And indeed, the two have become increasingly interconnected over time (see Gornitzka 2010; Vukasović 2014). However, the two initiatives differ in some important aspects. Unlike the Bologna process, the Lisbon Strategy is largely a supranational process, with a number of instruments developed to support its development (see Vukasović 2014). These include legally binding directives in the areas of recognition of qualifications, joint recommendations as well as numerous funding schemes designed to support its objectives (ibid.). Though the principle of subsidiarity in areas of education and research are still in force, the open method of coordination (OMC), introduced at the 2000 Lisbon Summit, was designed in order to enable setting common objectives and translating them to national and regional policies (see Gornitzka 2007). As Åse Gornitzka has argued, the OMC is a ‘mode of governance that assumes that coordination can happen across levels of governance without transferring legal competencies and budgetary means to the European level’ (Gornitzka 2010, p. 155). Through the OMC, experts from member states evaluate national performance according to commonly agreed objectives and indicators (see Tamtik and Sâ 2011).

The main instruments of the OMC are benchmarks, indicators, peer review of policy and, iterated procedures (ibid.), which ties in with the broader neoliberal script of reform based on imitation of successful peers (see Olsen and Maassen 2007). Wolfgang Kerber and Martina Eckardt (Kerber and Eckardt 2007) argue that the OMC is a tool for spreading new knowledge concerning appropriate public policies. In addition, the OMC is an approach to policy development that affords experts a central role (see Tamtik and Sâ 2011). In 2007, the European Commission initiated 1237 actively operating expert groups composed of representatives from the member states (see Gornitzka and Sverdrup 2011). As an overarching governance structure that can create opportunities for networking and sharing of experience (see Vukasović 2014), the OMC contributes to Europeanisation by endorsing collective norms and ideas (see Tamtik and Sâ 2011).

In this respect, EU and national policy experts who regularly interact and co-develop policy through the OMC form so-called epistemic communities (see Haas 1992), that is, communities that share specific
understandings, values, and beliefs although members might come from different disciplinary or professional settings. The sharing of experience establishes connections with others who share the same values, and enables the development of core belief systems that are then incorporated into practical policy advice. The difference between any group sharing common beliefs and an epistemic community is that the members of an epistemic community have 'the power of validating knowledge in the domain of their expertise' (Tamtik and Sá 2011).

Epistemic communities persuade others of their shared beliefs by virtue of their professional knowledge; hence, their 'policy goals must derive from their expert knowledge, not some other motivation, otherwise they lose authority with their target audience, usually elite governmental decision-makers' (Davis Cross 2013, p. 142). This also distinguishes them from so-called advocacy coalitions: while advocacy coalitions involve politicians, lobbyists, and journalists, epistemic communities are dominated by experts motivated by technocratic considerations, whereby 'basing the solution on authoritative scientific content is more important than the solution's content' (Zito 2001, p. 589). One of the implications of this, however, is the 'truth status' of policy recipes emerging from epistemic communities, which tend to travel to new policy contexts as authoritative knowledge.

Along these lines, the central organising concept for the dominant policy paradigm in higher education and research—the 'knowledge economy'—has a respectable pedigree in the social sciences, all the way from economics to sociology. Starting in the 1960s, on the one hand, Peter Drucker (1969) developed the concept of knowledge worker with a view to the service economy, emphasising the role of knowledge and formal qualifications as key resources. On the other hand, in 1973, Daniel Bell elaborated the idea of a post-industrial society, in which knowledge and the availability of human resources were conceptualised as key for economic progress, while the university became the central social institution. When, by the 1980s, this was combined with Paul Romer's new growth theory (see Romer 1986) and the concept of human capital, all the main components of a new explanatory framework coincided, creating a powerful influence on social theory through the work of Anthony Giddens, Ulrich Beck, or Manuel Castells as leading thinkers of globalisation. By the late 1990s, when the European Commission began to formulate socio-economic policy more actively, the idea that knowledge forms the basis of global competitiveness was already considered common sense (see Dolenec 2008).

The importance of epistemic communities in explaining policy change has grown with the recognised trend of transnational governance (see Davis Cross 2013), of which the Lisbon Agenda is a telling example. This is because knowledge creation is embedded in globally configured professional knowledge communities (see Moodysson 2008). Communities here designate an intermediate level between individuals and organisations, that is, groups of people who work on mutually recognised sets of knowledge issues and share the same social norms (ibid.). By employing the concept of epistemic communities, the analysis moves away from an interest-based explanation to the terrain of ideas. In addition, this concept has the added value of focusing the analysis on the 'carriers' of ideas, that is, experts as actors with the professional and social stature to make authoritative claims on a given topic (see Dunlop 2013). Though the concept is not without its challenges when it comes to operationalisation, in the context of higher education and research policy, the OMC provides an empirical setting in which it is possible to identify and establish the emergence of new epistemic communities and their belief systems (ibid.). Already in Peter Haas's original analysis (1992), epistemic communities were conceptualised as catalysts in international policy coordination. With respect to their impact, they have been analysed at two levels. The micro-level analysis is concerned with learning processes that occur between epistemic communities and decision-makers, advocacy coalitions, interests groups, and so on. And the macro-level analysis, which I will employ here, analyses the policy outcomes at the national and the regional level that result from policy prescriptions of epistemic communities.

The first study to apply the concept of an epistemic community to the issue of EU integration was published by Amy Verdun (1999), who argued that the Delors Committee, which elaborated the project of the European Monetary Union, was an epistemic community. The Committee, which consisted of the Commission President, 12 central bank presidents from the European Community, 3 independent experts, and another European Community Commissioner, easily reached unanimous agreement with respect to drafting their conclusions, which, in a second step, were integrated into the Treaty of the European Union virtually without amendments (ibid.).

In the policy domain of higher education and research, several recent studies analyse the importance of epistemic communities and norm diffusion as explanations of national reform trajectories. Merli Tamtik and Creso M. Sá (2011) analyse how the OMC, as a mechanism for generating
epistemic communities, was first used for internationalising the science and technology policy. Activities in this policy domain intensified after the 2005 review of Lisbon objectives, while after the launch of the Seventh Framework Programme in January 2007, transnational cooperation came to the forefront of European research policy (ibid.). Similarly, Alexander Kleibrink (2011) studies how the notion of lifelong learning was developed within the purview of the Lisbon Agenda. He shows that the notion of lifelong learning originated not from policy communities or academia, but from the business world (ibid.). Lifelong learning envisaged the state as strategic planner in developing human capital, with reforms driven by demand from employers and the labour market. Following the revamped Lisbon Strategy in 2005, the Portuguese Presidency launched the European Qualification Framework in November 2007, followed by the process of designing complementary National Qualification Frameworks (NQFs) in EU member and candidate states. The European Commission and its network of agencies were vital for the internalisation of the norm by the members of the EU community as well as for spreading the norm beyond the borders of the community. This process was guided by a certain logic of appropriateness where international organisations are the principal promoters of the lifelong learning norm. After almost all member states had committed to follow the Lisbon version of lifelong learning (notably after the Eastern enlargement), the European Commission diffused the norm to other countries, primarily through capacity-building measures that aimed at persuading governments to adopt the EU model of lifelong learning.

In all these cases, expert groups developed an ‘episteme’, a shared worldview that was derived from their mutual socialisation and shared knowledge (Davis Cross 2013).

As Janine Goetschy notes (2005), the fact that the OMC is a mechanism that is highly conducive to creating epistemic communities has several important downsides. First of all, the multiplicity of actors involved and the complexity of the process of coordination further exacerbate the already existing problem of democratic control over EU governance. Furthermore, they exacerbate the democratic deficit by further marginalising the European Parliament’s role in policymaking while strengthening the role of the European Commission—with all that this entails for a mode of governance that is already elitist and nontransparent. Finally, and most pertinent for this analysis, the OMC’s reliance on expert networks contributes to the exclusion of important policy debates in the respective national public arenas, further strengthening the technocratic nature of EU policymaking by systematically depoliticising social and economic issues that are crucial to the livelihood of European citizens.

**Lisbon’s Bumpy Travels to the Western Balkans**

In his analysis, Kleibrink wonders why EU neighbouring countries were initiating NQFs despite the absence of convincing empirical evidence of their success. At the time when they began implementing NQFs, ‘governments could not rely on clear empirical evidence that convincingly associated their adoption with higher quality of educational standards, greater labour mobility and higher labour participation rates’ (Kleibrink 2011, p. 70). Instead, the explanation is sought in the domain of ‘logic of appropriateness’, adopting a policy because it has become a norm of socially acceptable behaviour. In the context of EU integration, aspiring candidates for EU membership initiated NQFs to indicate their membership in the EU club (ibid.). Kleibrink argues that the European Commission and its relevant bodies in the field of education play a central role in designing a norm, fixing its meaning, and then persuading states to internalise it. Hence, the rationale for embracing the EU’s lifelong learning norm has more to do with gaining legitimacy on the way to EU membership than with learning about new policy development; this can explain why governments in these countries burden themselves with overly ambitious reforms that overstrain their administrations and budgets (see Kleibrink 2012, p. 124).

Building on the asymmetrical relationship between old and new member states, Tanja Börzel (2003) distinguishes between two strategies with respect to the development of European-level norms and associated policy recommendations. The so-called uploading strategy refers to a bottom-up dynamic in which countries advance policies at the European level that satisfy domestic preferences. For example, and as Tamtik and Sá (2011) show, the leading role in the development of the European Internationalization Strategy in Science and Technology was taken by Germany, a member state that had a lot to gain from this Strategy. Moreover, it was repeatedly the representatives of powerful Western countries—Germany, France, Italy, Austria, and Norway—that shaped the agenda and direction of the work of the group.

This builds on Börzel’s (2003) claim that the success of the uploading strategy depends on the country’s position with regard to the relevant structures. For example, countries that participate in the process
as candidate or pre-accession countries have almost no opportunity to shape EU-level policy in the area of higher education and research (see Vukasović 2014). In addition, even when they gain the right of access, other obstacles remain, such as administrative capacity and available resources or financial means and staff power for lobbying within EU structures (ibid.). Along these lines, Tamtik and Sá (2011) demonstrate that participants that recently joined the EU noted that the meetings were a truly useful learning experience, but they expressed their regret for not being able to fully embrace all ideas because of their limited resources. Given that OMC and other EU coordinating mechanisms boil down to voluntary recommendations, national experts on occasion agreed to conclusions that they knew ‘would not work well in their countries’ (Tamtik and Sá 2011, p. 461).

With the help of epistemic communities and through the socialisation of administrative and academic elites into EU’s discourse on the knowledge economies, the policy paradigm was transferred to the countries of the Western Balkans. Since the reform of higher education and research is part of the broader process of European integration, which has the status of a pre-eminent political project in the Western Balkans, Bologna, and Lisbon, processes were perceived in the region as more binding than they actually are (see Keeling 2006; Vukasović and Elken 2013), importantly shaping national strategic plans and legislative agendas.

Transferring the policy paradigm wholesale, countries of the region vowed to create ‘knowledge economies’ and ‘knowledge triangles’ that would supposedly lead to economic and social development. Without undertaking the necessary but labourious work of localising and reshaping the policy recipe of the Lisbon Agenda in order for them to provide a better fit with regional needs, they were adopted as official policy goals in the poorest region of Europe, where GDP per capita is at 30–40% of the EU average, where registered unemployment rates reach as high as 46%, and where the service economy stands for waiters, cooks, and care workers instead of IT and high-tech industries.

Furthermore, as Table 2.1 shows, governance capacity, which is supposed to exist at a high level in order to implement the knowledge triangle, remains a substantial challenge in the region of the Western Balkans. The World Bank government effectiveness indicator attempts to capture, among other things, the quality of policy formulation and implementation, and the credibility of the government’s commitment to such policies. Higher percentiles indicate a more effective and responsible public sector and a higher quality of policy implementation. Such high levels are to be found in the Nordic region (with Denmark, Finland, Norway, and Sweden as core countries), where governments score 90–100 percentiles.

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<td>Albania</td>
<td>3.19</td>
<td>8580</td>
<td>12.9</td>
<td>43.5</td>
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<tr>
<td>Bosnia and Herzegovina</td>
<td>3.94</td>
<td>7636</td>
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<td>Kosovo</td>
<td>1.81</td>
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<td>Macedonia</td>
<td>2.05</td>
<td>11,528</td>
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<td>Montenegro</td>
<td>0.62</td>
<td>12,877</td>
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<td>Serbia</td>
<td>7.32</td>
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*Source for the first two columns: United Nations Statistics Division (2015), third column: Marrin (2014), and fourth column: Kaufmann et al. (2014)*

Among the Western Balkan countries the range is 40–60 percentiles, which may be read to suggest that governments in the region have substantially lower capacity for strategic planning and policy implementation than is implied in implementing Bologna and Lisbon objectives. According to Dolenec et al. (2014), weak governance capacity helps explain the discrepancy between the level of formal adoption of Bologna objectives, which has been high, and the much lower success regarding implementation. This has inspired other researchers to view elements of the Bologna process as ‘Potemkin’ institutions aimed at signalling commitment to EU institutions but failing to fulfill their purpose (see, e.g., Nourcheva 2009). Discussing the implementation of NQFs in particular, Borhene Chakroun (2010) and Kleibrink (2012) doubt its success in the Western Balkans, given how different their socio-economic context and labour markets are from those of the EU.

A further empirical illustration of the problems of transferring policy paradigms designed in the core EU countries to the EU periphery can be drawn from the comparison between levels of public investment in higher education (Table 2.2) and research and development (Table 2.3) in EU 27 vs. Western Balkan countries.

Among Western Balkan countries, only Serbia has a level of investment in higher education that is comparable to EU 27, while none of the other
In other words, the policy paradigm of knowledge economies is travelling from the advanced European core countries to the European peripheral economies, which do not exhibit properties of knowledge-based economies. Even though the process of European integration is premised on the idea that everyone will converge towards the liberal democratic model of development, a growing body of literature has shown that we have instead witnessed a clustering of European economies into distinctive varieties of capitalism (see, e.g., King 2007; Nölke and Vliegenthart 2009; Bohle and Greskovits 2013). The East-West division of Europe during the democratic transformations of the 1990s has taken second place to the core-periphery divide. Post-communist countries have developed into liberal dependent economies characterised by the unhappy marriage of declining welfare standards and liberalised economies that depend on foreign investment (see King 2007; Nölke and Vliegenthart 2009).

The EU is the main trading partner of all Western Balkan countries, accounting for 60–75% of imports, with the largest proportion of direct foreign investment in the region coming from the EU; for example, 75–95% of banking assets in the Western Balkans is owned by EU banks (see Uvalić 2014). The high level of exposure to investment flows from the EU has meant that the Western Balkan countries have been negatively impacted since the economic crisis in 2008, which brought reduced exports, reduced inflow of credit, reduced foreign direct investment, as well as migrant worker remittances (see Bartlett and Uvalić 2013). The imperative of balanced public budgets demanded austerity measures, which was reflected in cuts to public spending on higher education and research which were not high to begin with. Gross investments in research and development in the region have declined dramatically in the past two decades, and today the region invests below its level of development (see World Bank 2013).

## Conclusion

Putting together the two strands of this analysis together, it could be argued that the neoliberal script of knowledge economies and its embodiment in the Lisbon Agenda provide an excellent illustration of the elite-driven, technocratic, and nondemocratic character of European integration. Through the process of European integration, academic and administrative elites from Western Balkan countries are integrated into coordination mechanisms such as the OMC and other Brussels-
based policy fora, whereby they are exposed to, and become members of, epistemic communities that shape the official EU discourse and policy on economic and social development. Having acquired a shared worldview on the role of knowledge in furthering European competitiveness, they serve as transmission belts for embedding these ideas into their home societies.

The problem arises, however, due to the circumstance that the European periphery is characterised by economies that could hardly be qualified as post-industrial, and which hence do not have either the infrastructure nor the capacity to implement such reforms (setting aside for the moment the equally important question of whether that would be a good idea at all). In their attempt to become ‘licensed’ in the halls of Brussels, the liberal elites of Western Balkan countries therefore commit at least two consequential mistakes. First, they fail to engage with their domestic constituencies in deliberating, localising, and transforming official EU policy into workable and viable development programmes that would take account of country specificities and developmental trajectories. Instead, they are content in styling themselves as the enlightened elite bringing progress to a backward nation, setting aside the deeply undemocratic character of the process. As a result, the wholesale policy transfer results in all kinds of failure in implementation, ranging all the way from bureaucratic incompetence across window dressing to deliberate sabotage. Second, enthralled by joining the ‘most prestigious world club’, as the EU is sometimes referred to, they toe the official line of the European Commission, failing to engage critically with its ideas and to acknowledge that inside the EU there is a constant plurality of voices when it comes to designing development policies—let alone to consider that the institutional and cultural practices engendered in their own societies may ever provide templates worth distilling into policy proposals for Europe.

**References**


