
Financialization of Education and Formation of Financialization

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Abstract

The end of the 20th and beginning of the 21 century became the period of the aggravation of expansion of the financial capital and subordinating the real sector of economy to it. This process was called the financialization. It began to cover different spheres of economy and social life on the whole. Among them, there appeared the financialization of the humanitarian sector of economy (education, sciences, health services, culture) where the human potential of society is formed. In the countries of capitalist center of the world so as, in the semi outlying countries the process is very active.

During the last 20-30 years, the Education sphere was exposed especially. The shortening of state support of education was the beginning of the process. Then came the involving it into market relations and as a result commercialization of education. The last is the process of enlarging of orientation towards not the education as the basic sphere of public and social activities, but obtaining commercial results (such as profit-making capacity, high ratings as the factor of enlarging the profits and soon) as a result Education is converting from common weal into a paid commercial service.

During this period, commercialization of Education intensified to its financialization. This is the process of getting a considerable part of income of educational organizations performing financial intermediary functions but not educational or scientific activities (such as paid courses, sale of patents and so on).

The process is two-sided. First, the universities twin into large corporations with large investment funds and financial companies in its structure. It is especially impressive in prominent universities of capitalist center countries of the world. The striking example is the Harvard University activities that are shown in the papers of its former President Derek Bock. Second, Education twins into an instrument with which the financialization becomes the ideology of contemporary global capitalism. The formation of financialization is the process of twining down the Education into channels to generate financialization as an ideology, mentality and systems of humanitarian values. This in twin strengthens the objective basis for expansion of financialization as an ideology.

Among the results of the described process, one can name a newly formed prevailing type of personality – Homo Finansus.

Keywords: Commercialization of Education, Financialization of Education, Expansion of financialization as an ideology, Prevailing type of personality – Homo Finansus

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