

Losing the (Public) Good Fight?: The Rise of Academic Capitalism

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Introduction

Though public education (educational institutions funded by public dollars for access by typically younger members of society) has been an essential aspect of the United States since the 1800s, the number of people and the cut-off age at which point the person becomes responsible for his or her own intellectual development has changed. Compulsory elementary education started in the mid-1800s for some children (e.g. African Americans and other exploited minorities were excluded from such opportunities) but has expanded into compulsory education for all children from about age 6 to an age somewhere between 16 and 18, depending on the state . The type of education institution can vary (e.g. private, public, homeschool), but because it was compulsory, the governments (state and federal) eventually provided funds and statutes to make sure all students could access education.

Accessible education proves essential for a fully functioning and vibrant modern nation. Educating the youth—besides the personal benefits of the education—improves society; it is a central public good. Though not causal, a correlation exists that posits the decrease in violence and the increase in empathy over the last two centuries corresponding in part to most developed nations establishing mandatory elementary and secondary education, while also increasing higher education to mass access (Pinker, 2011; Rifkin, 2009). Kristoff and WuDunn (2009) also point out there is a correlation that when nations begin systematically providing elementary and secondary education to women, the nation sees significant economic, health, and other social benefits.

While clear consensus delegates elementary and secondary education as a public good, society continues to debate whether higher education is a private or public good. Society clearly believes in the public good of higher education and find ways to express this. Sixty percent of higher education institutions are public colleges and universities funded significantly with state-tax dollars (Johnston, 2011). Both state and federal governments bestow tax benefits upon colleges by allowing them to be nonprofit and avoid many taxes. The federal (and at times, state governments) find numerous ways to directly and indirectly support students through grants, tax credits, and other opportunities (Johnston, 2011).

However, funding for students and institutes alike has diminished over the last thirty years. Some such as Mortenson predict that state support funding will decrease to little or no money in future years (Whitney, 2006). Less state funding goes into state institutions at a time when more students are going to college (Johnstone, 2011). The deficit of funding has resulted in increased tuition at many institutions and so while students may still potentially call upon the Pell Grant for financial help, it covers less and less of the final bill each year. Instead, students and families are pushed increasingly to take on loans to cover the cost.

Law-makers continue to delegate lesser funds for higher education with public money and expect institutions to increase funding with private money from students, endowments, patents, and copyrights (Slaughter & Rhoades, 2011). This path towards privatization raises the question about just how much does society view higher education as a public good—what is its bottom line? The consensus seems to be

creeping towards higher education as a private good and to support it less with public dollars. This paper examines some of the key literature that considers what it means for higher education—particularly, state-supported institutions—to move towards privatizing higher education. In doing so, it will explore how privatization and the development of what Slaughter and Rhoades (2011) describe as an “academic capitalist knowledge-learning regime” has occurred over the last thirty years and offer some insights and recommendations on reversing the course of action.

How we as a society decide to view and ultimately fund higher education will be an essential question for the next few decades. Increasing access to higher education appeared to have a direct effect on the expansion of the middle class in the twentieth century (Mumper, et al, 2011). Pushing students—often fresh out of high school—to take on tens of thousands of dollars in debt to acquire a degree, which in itself is no guarantee of a job that reflects an income capable of repaying those loans is a direction that is likely to cause further deterioration of the middle class and continue to limit those who would attempt to move up from lower socio-economic classes.

Literature Synthesis

The readings discussed in this section highlight some of the issues of academic capitalism and the shift towards privatization. Though this is a systematic review of all major research available, it will capture some of the big issues.

Johnstone’s article, “Financing Higher Education: Who Should Pay” explores the essential question of money going in and out of the university. His focus on funding relates to concerns about quality, access, and efficiency. How colleges spend their

money can give some insight into where some of their emphasis is and help to decipher where the idea of public good is present within the financial foundation of an institute. Where colleges get their funding is an increasingly complex question because as Johnstone notes, the US is one of the singular systems in which funding comes from private resources in such large numbers. Johnstone considers different contextual elements of higher education including how colleges are perceived as centers of economic growth for communities but also gateways to credentials that increase individual's financial resources (potentially) to better understand why so much of higher education is privately funded.

Depending upon their mission and constituents, institutions must balance their funding, size, and efficiency. He notes that funding higher education is increasingly tricky to negotiate in light of growing student populations, stronger demands for improved completion rates, more employers requiring degrees of employees, and a strong push for efficient degree-completion models. He considers what efficiency and effectiveness should mean in higher education. Is an institution that spends \$4,000 per student per year more efficient than the college that spends \$20,000 per student per year? Which of the two are more effective? There are many different things that the money could be spent on (faculty, facilities, IT infrastructure, student services, etc), but which outcomes yields a successful student and how do we even know to measure that in an equitable way? Ultimately, no stable metric exists to determine and assess these meaningful outputs of higher education. Given this, it makes discussing higher

education's "public good" nearly impossible to quantify in contrast to the ways personal benefits of the student can be quantified.

Johnstone also identifies the tendency within a market economy for non-market goods such as higher education to exceed inflation. He points to several reasons for this including decreased state funds, faculty compensation that exceeds rates of inflation, and more tools and services (such as information technology) that creates more expenses per student. However, he explains how these increasing costs of college are running up against different economic forces such as resistant students and parents, decreasing state support, increasing cost of research, and decreasing government funds for health centers. Altogether, he shows that higher education is approaching an impasse after decades of employing what he refers to as the high tuition-high aid model where market forces (when working according to theory) should work to appropriately distribute aid to those that need it most but doesn't appear to be working.

In Martin Trow's article, "American Higher Education: Past, Present, and Future" (1988), he celebrates the market-based approach by the United States higher education system. He argues that this decentralized approach to higher education has made it the best in the world by having many different types of post-secondary institutions serving many different needs. This diversity has allowed for more rapid response to the needs of the economy, citizenry, and other stakeholders. However, this approach hinges upon continued state support to pick up about one third of the bill, which is declining as noted in the Johnstone article. Despite advocating for the market-based approach (which is in

itself an oddity since he points out that college does not function as a free market wherein students pay the full price of the service), it is that same belief to privilege the free market over government involvement that has rendered less and less funding from the state in the thirty years since his article was written. Defunding government programs been such a powerful rhetorical tool for the past thirty years, there exists now a formidable extremist group, the Tea Party, whose influence in state and national politics continues to decrease funding, including higher education.

Elsewhere in the article, Trow claims that the diversity of institutions with different expectations and philosophical approaches improves the overall quality of higher education in the United States, but it is that same variety that currently challenges concerns about accountability, transferability of credits, and assessment of learning outcomes across colleges. Further, he notes, “We have not been able to afford the luxury of high academic standards across all our degree-granting institutions. (Trow, p.20). Because there has been a long market-based approach to higher education and that the market doesn’t seem willing to encourage “high academic standards”, the system currently is undermined by trying to actually figure out what a degree actually means across the board—which is a similar question to Johnstone’s concern about the effectiveness and efficiency of higher education. The great diversity that Trow applauds also means that it is hard to objectively say (and measure) how higher education contributes to the public good. He acknowledges this himself when he states, “higher education is a better instrument for strengthening the legitimacy of a political

democracy, and, where it performs that vital function, as it has in the United States, it goes unrecorded on the accounting sheets of the cost/benefit analyst. (Trow, p.21)”

In their article, "Markets in Higher Education: Trends in Academic Capitalism," Sheila Slaughter and Gary Rhoades introduce the term “academic capitalist knowledge-learning regime” to explain the state of higher education today. They identify how the faculty and administration have in different ways commercialized higher education. The privatization of higher education comes as a result of three forces: federal financial aid for students, patent law and policies, and copyright law and policies. However, the common theme across these forces is the major influence of the neoliberal ideology (or neo-conservatism in the US) whose focus is on the individual (both human and corporate) and the market. This ideology emphasizes deregulation, commercialization and privatization.

The authors examine how federal financial aid to students should work as a market force for colleges but ultimately does not. Grant funding has not risen in proportion to tuition and with more students seeking grants, there is less money to provide to individuals. With more students, less funds and higher college costs, students are faced with more loans to fill the gap, which negatively impacts people of lower socio-economic backgrounds more significantly. The cost of a neoliberal approach to college is that it continues to disregard lower-class students or as the authors put it “students who have less access to good counseling and less knowledge of the admissions process, characteristics that disproportionately describe students from lower socioeconomic backgrounds” (Slaughter & Rhoades, p. 441).

The authors also explore issues of patent and copyright changes in higher education. Ironically, a neoliberal approach that focuses on deregulation of some things entirely relies on regulations of other things (namely, patent and copyright law). The 1980 Bayh-Dole Act opened up the products of higher education to market forces—previously things created with public dollars were considered the public domain. The result left faculty and administration negotiating over intellectual property and who would profit most from patents. This included creating new entities outside of the college or exploring models of profit-sharing between college and faculty. Copyright follows a similar path, though colleges continue to negotiate what falls under copyright that the college has a right to claim. The increase of copyright material allows for institutions to hold onto the learning content and even create packaged courses.

Though the Bayh-Doyle act opens up the opportunity for higher education to find new revenues, it also subverts the role of higher education as a public good. When colleges can act as private entities and profit off of their findings, this means they are becoming more like corporations and losing part of their centrality to the public good. They are less inclined to produce public domain properties for the benefit of everyone and more likely to look for profit-producing projects. Furthermore, when institutions are receiving money via student loans, which are often derived from public dollars (at least in the case of federal educational loans), the loans themselves become externalized costs that the college is never entirely or directly responsible for. The money comes into the college to pay for potentially third-party (often for-profit) vendors. In this way, colleges can be seen as a place for the exchange of public dollars into private hands.

Taken together, these articles present a stark picture. Slaughter and Rhoades shows that the Bayh-Doyle Act meant that institutions would look to patents and eventually, copyrights as revenues—no longer could they be entirely claimed as tangible evidence of public good. Later in the 1980s, Trow says there is no room or means to quantify (that is, to capitalize) public good, and yet it is supposedly abundant. Johnstone then shows that despite Trow's beliefs of good relationships between states and public education, funding has been continually decreasing. It would seem that the loss of the public domain status for patents and copyrights as a tangible public good that colleges produce in the absence of any other quantifiable measure of public good left higher education with no strong measurement to hold up in the face of measurements of individuals such as cost of education, degree attainment, personal financial benefit from a degree, and other such measurements that connect higher education with personal gain, not public gain.

Recommendations

As this paper's title and the previous section indicate, the move toward academic capitalism seems to be a move away from the public good. The neoliberal desire to privatize traditionally funded public services can often have calamitous results (Klein, 2007). Indeed, after an initial explosion, many for-profit colleges and universities are facing increasing problems including loss of accreditation or financial aid credibility and a mass exodus of students (Strauss, 2015). But there are things that could be done to undermine the push towards privatization and reinvest in higher education as a public good.

Ideally, though unlikely, repealing the Bayh-Doyle Act could contribute significantly to improving the idea that higher education is a public good. This reversal would allow higher education as a whole to point to public domain patents that have contributed to the improvement of society. Such a change could be leveraged to argue for more investment in higher education. However, rather than repealing the Bayh-Doyle Act, a better approach might be to reinvent the mission of higher education to include the open educational resources (OER) movement. By utilizing copyrights and patents that use Creative Commons' licenses, it would be a better way to openly communicate and quantify how much public good is generated by higher education. By adding a Creative Commons licenses, it would be easier to track the number of patents and copyrights that can be tied to higher education and therefore, provide a more thorough explanation of what colleges do that benefit society.

A more recently developing movement within higher education is the increasing dialogue both at the national and state level to find ways to provide free access to community college to all first-time degree-seeking students. Though many view this skeptically on a national level, it has already been enacted in Tennessee and Oregon looks slated to enact it this year (Read, 2015). Free access to an associate's degree (though there are likely to be some costs) would go a long way in reinforcing the importance of higher education as public good for it would provide access to education that currently millions of people cannot afford to access on their own. Improving the skillset of impoverished and disenfranchised groups is likely to also allow for more social mobility and decrease the need for some social services (Marx, 2004).

The decreasing investment in and privatization of higher education comes at a time when employers require increasing skills from employees and globalization increases the competitive pool of applicants, while a significant number of developed countries and even developing countries are providing universal college education. As important to contributing to a vibrant economy, higher education also produces educated citizens whose collective intelligence and investment in the country can demand more informative approaches by their leaders. Additionally, encouraging and supporting higher education for students will continue contribute to the improvement of society just as it has in the past. The computer, radar, and polio are just a few of the inventions that were developed through higher education that have had innumerable benefits to society (Mumper, 2011).

How the United States chooses to fund higher education remains a pivotal question to explore in the early twenty-first century at what many have considered the early decades of the third Industrial Revolution (Rifkin, 2011). It is worth noting that the country began endorsing compulsory (and therefore mass and eventually universal access) primary education at the end of the first Industrial Revolution. Shortly after the end of the second Industrial Revolution in the 1920s, law-makers made secondary education mandatory. Each technological age has fundamentally changed how people facilitate knowledge (moving from textual to analogue to digital), how people interact (from written word to telephones to smartphones), and how far individuals can reach into the public sphere consistently (from participating in local politics to advising the government via online open-government portals to directly interacting with government

representatives via digital technology). Supporting higher education is an essential aspect of inducing and sustaining the kinds of improvements that have been made by previous technological revolutions.

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