

Radical Transformations in Higher Education: Where Do We Go From Here?

by *Thomas Auxter*

Since the time of the Reagan revolution in the nation's politics—a transformation dedicated to privatizing everything someone could make a profit on—higher education has undergone its own radical transformation. The Reagan revolution generally portrayed all government as the problem, except on foreign policy and “family values” issues, and looked to “the free market” for solutions—enacting laws to deregulate corporations and reduce taxes on profits and wealth, encouraging privatization. In higher education, within three decades of the Reagan presidency, a corporate model of organization and operation, set up to maximize profit and gain competitive advantage, became the basis for revamping the ways public universities and colleges set priorities, created budgets, and implemented policies.

Until recently this revolution left in place the academic disciplines, departments, and degree programs as we have known in the past. Now the last stage is ready to unfold. In it, we find an agenda decisively altering both research and teaching and at the end of the process radically transforming the curriculum.

We take for granted what higher education is meant to be within the traditional intellectual framework. Only when we see it challenged to its core do we appreciate what we have come to expect as a norm. Only when we realize how truly radical the values at the base of the Reagan plan actually are, and discover the contradictions and problems inherent in it, can we begin to imagine how to construct an alternative that recognizes the importance of other values we care about,

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including values at the heart of the traditional approach to higher education.

In the traditional idea of higher education, teaching and research activities are organized by colleges, with degrees granted for completion of rigorous programs of study within departments and disciplines. Colleges also offer general education courses that help students understand the larger world within which disciplinary contributions have meaning. (Professional schools are often the exception.) Higher education is typically based on classroom instruction. Degree programs often feature individual tutoring or supervision at the end of the process. While it took centuries for the traditional model to evolve into the form we find at the

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beginning of the Reagan revolution, it took only three decades for a new model to emerge and replace it. This did not happen by accident. It happened by design, mapped out in advance by the Reagan administration.¹

D. Bruce Merrifield, Ronald Reagan’s assistant secretary for productivity, technology, and innovation in the Department of Commerce, laid out the design of the new higher education paradigm in a revealing interview published in a 1984 issue of *Thought and Action*. While outlining the new goals and expectations, Merrifield explained the radical transformation in the making and gave reasons for the change. The objective, he said, is to restructure all of higher education so that the United States will be highly “competitive in world markets,” which, he noted, takes “leadership in research and development” in order to produce “a tremendous industrial and academic infrastructure that can translate new concepts into useful products and processes.” In other words, the goal of higher education was to increase economic innovation and productivity so that the United States might outperform all other nations in the creation of wealth.²

All of the values of academic life would be reduced to promoting this goal. Academic freedom, for example, becomes the “unfettered” quest for successful collaboration with businesses, through which we “mobilize our resources” to gain “incomparable advantages over everyone else.” Because the world is now “technology-driven,” “universities and industries and government must adapt to this need,” namely, the need for developing competitive advantages through technology. Thus under the Merrifield approach, academic freedom is redefined as the unrestricted ability to develop technology and produce wealth—in collaboration with business and industry.

Do the faculty have a role in directing this development? Will “technology-

driven” faculty have a say in what they will produce? No, Merrifield said. Business identifies the needs for research. “Accountability and expertise must come from the private sector where the user needs are best identified. This is our intent.”³

What is the meaning of accountability here? To hold people accountable, we are to measure the wealth generated by their activities. When the masters of accountability are successful, the answer is a number—at the bottom line.

How is accountability determined? In the corporate model the method of cost-benefit analysis is used to evaluate contribution to profit. Accountability requires a rigorous application of this method. How much is a corporation spend-

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ing compared with earnings? Where can we cut costs to increase productivity and profit? Where do investments lead to increases in market share? Corporate managers deemed to fail by these criteria are replaced. When public programs are evaluated, the comparison of costs and monetary benefits converts into a comparison of costs and outcomes. The greatest outcome for the least cost is the goal. Outcomes must be quantifiable, measurable, and testable, or the rigor of the method is lost. For educators this means they must be tested and succeed or be ready to step aside.

What is the result? *The Wealth of Nations* resurfaces in the late 20th century as the norm for legitimate academic activity. At the same time, it sets the intellectual horizons for the next generation, as we shall see when we examine the consequences of policies adopted over three decades of efforts to implement the market paradigm.

Behind the scenes, throughout this thirty-year period is a fact of life that shapes everything else: Sources of government funding change dramatically. This is an effect of the Reagan revolution and its “New Federalism,” which shifts most domestic funding obligations to the states so that the federal budget can be used primarily for defense-related priorities. During this period, funding for higher education falls as a proportion of state budgets. Funding not only starts to disappear from state higher education budgets; it disappears faster and to a greater extent than do other types of public agency funds.

Why? As states struggle to cover mandated expenses such as Medicaid, schools, and prisons, legislators tend to view higher education by comparison as optional and dispensable. They tell higher education institutions to make up the difference with cost savings and efficiencies. As a result, within thirty years most

permanent faculty positions are replaced with jobs held by contingent faculty paid much less per course and hired and fired at will. Tenure-track positions are now held by less than 30 percent of the faculty.

With this shift comes a difference in quality. But the difference is not because contingent faculty are less qualified to teach. A contingent faculty member could be more qualified to teach a given course. The difference in quality occurs because the “cost-saving” plan creates conditions that make effective teaching dif-

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ficult. Faculty hired to cover most teaching responsibilities are paid just enough to accept a job that cannot be performed completely and effectively under the conditions of the employment contract. With no office to meet students, no time to stay on campus after class, no health care insurance to stay well, no income sufficient to pay bills and remain solvent, the contingent faculty member lives and works under adverse conditions. It is a life of moving from one temporary teaching position to the next and hoping to patch together some combination of



contracts that makes a professional life possible. This affects quality.

In this situation faculty also face real threats to academic freedom. An instructor who wants to be hired again has to think twice about making comments too controversial for some students or raising issues that might cause offense. Again, it is students who suffer with the quality lost. Students suffer in other ways too. Since contingent faculty are temporary employees, they may not be there later for students who need recommendations or advice on important choices. Students are shortchanged coming in the door and shortchanged going out the door. An “efficient” means turns out to preclude the end, namely, the teaching outcome desired.

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The damage from the New Federalism does not end there. Cuts are not felt equally across all programs and disciplines. Colleges hit hardest are arts and sciences, social sciences, education, and the arts. Colleges suffering the least are business, medicine, the health sciences, and law. The severity of the cuts depends on how close colleges are to professions in the private sector that can make up the difference—often in return for special treatment. “Privatization” becomes the watchword and strategy.

In colleges that do not lend themselves to privatization, we find reductions of staff and course offerings, faculty teaching outside their specializations to cover gaps in short-funded programs, and students left without the courses they need to complete a major or program. The New Federalism affects the quality of the curriculum as well as the quality of instruction.

We are left with increasingly scarce funds for basic research, asking critical questions, improving communication, exploring alternatives for social relations, appreciating the aesthetic dimension, and asking about the purpose of education. Foundational questions are brushed aside in the pursuit of applied studies. The idea that a well-rounded education is valuable because it provides orientation in thinking is discarded in the rush to succeed by acquiring career credentials. Narrowing the approach to learning means we lose both intellectual orientation and the foundation for a lifetime of development and creative change.

The approach purports to encourage privatization for the sake of reducing cost. Cost savings are celebrated as efficiencies and as increases in productivity. But technological innovation depends for its continuing existence on advances in basic research. Otherwise, we are merely scratching the surface of innovation if we are not able to frame new questions and think in new ways. Privatization shifts funds out of basic research and thereby undermines the theoretical inquiry that makes

innovation possible in the first place. Moreover, if the goal is to produce viable, resilient, mature, and fully aware human beings with strong critical, social, and aesthetic judgment who can outthink and outperform the competition in a world market, then stripping the curriculum of what is needed to produce this outcome does not amount to producing the same outcome at less cost.

Because the New Federalism drains funds from higher education, it jeopardizes the economic standing of the United States in comparison with other nations. To make matters worse, our nation is now cutting funds in higher education in response to the recession while other nations are maintaining investments as a

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response. Even in hard times, others see education as the path to recovery. The market paradigm forces us to drain funds from higher education at a time that functioning in a global economy requires greater investment. It works against its own rationale, namely, to be highly “competitive in world markets.”

The rapid rise of the for-profit industry in higher education is the final stage necessary to complete the radical transformation that started in the Reagan era. This phenomenon raises questions about the future of higher education if most or all institutions of higher learning become privatized. It also clarifies what it means to have the market economy determine the structure.

How fast are for-profits growing? What is the potential? A statistical profile, based on U.S. Department of Education data recently made available for congressional hearings, is revealing.⁴ For-profit institutions enrolled only 2 percent of undergraduates in 1990. By 2008 they enrolled 8 percent of undergraduate students. From 1998 to 2008, postsecondary enrollment in for-profits grew 225 percent at a time that the overall postsecondary enrollment growth was only 31 percent. In 2008, 21 percent of Pell grants, which are designed for students with limited means, went to those enrolled at for-profits. The Government Accountability Office provides more evidence: “In 2009, students at for-profit colleges received more than \$4 billion in Pell grants and more than \$20 billion in federal loans provided by the Department of Education.”⁵ By 2009, almost half (43 percent) of borrowers defaulting within the first two years of repayment of loans were from for-profits.⁶ Twenty-five percent of students at these institutions borrow at least \$40,000.

It gets worse. If a corporation purchases a college that is failing economically, the corporation is given accreditation with the purchase and never has to go through the process of earning it. This provides cover so the corporation does not

have to reveal information about the quality of what it is selling to students. Faculty at for-profit institutions are contingent, not unionized, and entirely at the mercy of employers not accountable to anyone for their own behavior. Academic freedom for faculty is meaningless; they know they can be replaced at a moment's notice without explanation or justification.

The tuition is certainly no bargain for students. A degree costs twice as much as at a four-year public institution and five times as much as at a two-year public college. Students are lured with promises that loans will not have to be paid back until they have high-paying jobs. Yet employment does not usually appear when

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the degree is completed, and the loans come due. Is there accountability? Not if it means providing information about graduation rates and employment after receiving degrees. For-profits refuse to say how many students complete degree programs, how much federal debt students carry, or whether they got jobs to pay back loans. They would rather not say how much CEOs of parent corporations make, but it is in the millions each year—ranging up to \$20 million.

Corporations have figured out there is money to be made by moving in and offering degrees. They are purchasing for-profits and giving them a make-over. Advertising is the key to a business venture of this magnitude and can take up to 40 percent of these corporations' budgets. For-profit advertising campaigns reveal the strategy they expect will increase market share and justify the expenditure. Ads produced for television audiences in major urban media markets portray traditional colleges and universities as obsolete and unable to change—locked into rigid patterns of classroom instruction that make passive learners out of students and kill interest in courses. Departments and disciplines are obsolete too—just another traditional way of marking time when active students would rather move immediately into something producing a job.

For-profits portray themselves as like the next generation of students—active learners who see education occurring in all scenes of life where an electronic device can connect them with learning on the run. They know the students they attract are fed up with classrooms and respond positively to the ad with antiquated student desks bulldozed out of a classroom in preparation for the future.

When the Reagan revolution started, no one knew how much we would have to bulldoze in order to follow the market. Today it is clearer. The bulldozer needs to be big enough to take out classrooms, departments, disciplines, and perhaps

even colleges as well. Nothing less will prepare the way for training that will be immediately useful to the managers of a market economy—unencumbered by requirements postponing graduation and delaying business payoffs. With the rapid growth of the for-profits we get our first glimpse of what could be the final step implementing the market paradigm.

Investment banks like Goldman Sachs see an opening. The very same banks that lured customers into loans for subprime mortgages they cannot pay off now lure students into taking out federal loans they cannot pay off with gainful employment. The banks take their profits now and leave it to the government to

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bail out students who default on loans. With the purchase of for-profits by investment banks, the priorities for higher education institutions are finally completely defined from the outside. The market will now have its way in determining policy on every issue no matter what.

The market paradigm fails by its own standards when for-profit colleges are evaluated. The outcome is dismal, and the cost is unjustifiable. It took three decades of living within the market paradigm to realize how deep the contradictions run, how many problems are generated, and how unworkable it is. We have seen how severe and punishing the contradictions are.

What is the alternative? As the consequences of the Reagan revolution unfold, the three major professional organizations representing faculty in collective bargaining and political action are focusing less on differences and more on a shared mission. Radical changes in the nation's approach to higher education have set the stage for affiliations and coalitions never thought possible before. Today, there is little disagreement among members of NEA, the American Federation of Teachers, and the American Association of University Professors over how and when to defend faculty against threats to the integrity of their profession. Increasingly, these organizations also share a vision of an inclusive society that closes gaps in opportunities and achievements so that all of us can benefit from public policies and see a rich and full development of human potential. This stands in stark contrast with the exclusive goal of the Reagan revolution which produces a class-stratified, undereducated, underdeveloped, gender-stereotyped, and racially and ethnically divided society.

Richard Sims, NEA's chief economist, offers an explanation of why we can expect this vision to work. He notes that the partisans of small government are now

more openly proposing radical reductions in funding for higher education. But “by lowering the supply of highly educated workers,” we “lower the earnings of less highly educated workers” and also increase “their supply of labor.” The result is to “lower the nation’s future productivity, lower GDP, and exacerbate already wide inequalities.” The alternative is “to keep as many people as is reasonably possible on the path to a higher level of education.” This generates “highly skilled, highly productive workers and somewhat better wages for a somewhat reduced pool of lesser-educated workers.”⁸ This supports NEA’s traditional stance that higher education benefits both the individual and society.

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If educators are united in defending education against attacks, and if all of us can expect economic benefits from this coalition, how can we expand the coalition? Because the attacks are not just on public education, but on everything publicly supported, education organizations and unions are making common cause with organizations representing other public employees to fend off threats to budgets, pensions, and health care. Our coalition is expanding to include police, firefighters, and other government employees who stand to lose much or all of what they have gained. If this coalition reaches out to organizations and groups that care about the quality of education or “critical needs” or overcoming discrimination or the functioning of democracy, we multiply our effectiveness.

Other economic factors add to the potential for a growing coalition. A green economy is no longer a vain hope; it is an absolute necessity that we stop squandering scarce resources. The nation was built on assumptions about the availability of energy and water that no longer hold true. Every year we ignore this problem we pay higher operating costs for running an economy designed to fail in an era of diminishing and more expensive resources. The alternatives are to change the structure—and the infrastructure—or throw away the quality of life we have taken for granted in the past.

Higher education stands at the center of this radical transformation. We need the power of basic research to redesign entire environments. Because efficient uses of energy and water are directly related, we need to transform communities that waste the resources we desperately need—rethinking the use of resources in both natural and social environments and the efficient flow of water and energy through them. Nothing less than a fully supported research program in the universities can do this. Nothing less than a knowledgeable and skilled workforce coming out of

both universities and colleges can understand how to retrofit buildings, change routes of access, and build transportation systems so we no longer leak energy and water like a sieve.

This brings in other groups. We share a vision and can build coalitions with environmentalists and trade unions in the private sector. A green economy is the only full-employment economy today; it is necessary to involve all human labor and energy in fixing the problem. Full employment also means narrowing the gap in income so that the unabated consumption by some does not displace a minimally decent life for others who cannot even afford efficiencies in energy for transportation and housing. Extreme disproportions in wealth increase the quantity of endless varieties of consumer goods that move quickly into trash dumps and landfills—poisoning the water, wasting energy, and eroding green space. It is the quality of life that suffers with rampant materialism, needless consumption, high unemployment, and not coincidentally, high crime rates.

In the growing trade union movement dedicated to organizing the unorganized, we find a determination to create jobs in the private sector that give less highly educated workers the means to a better life. At conventions of AFL-CIO unions, we already see a determination both to organize workers in unskilled private sector jobs and to increase educational support for workers to enter skilled green economy jobs. The potential for a coalition of labor and environmentalists expands every time we take a step toward higher education, the green economy, and full employment.

Denmark is an example of what the future might look like—with full employment, strong trade unions, education opportunities for all, low crime rates, green space and parks everywhere, and the most efficient use of energy and water in the world. Extensive education, research, and planning *can* occur in an economy that has private enterprise and green business. Emphasis on the quality of life results in a first place ranking (among all nations) for Denmark in the satisfaction with life index. We do not have to copy this example, but we cannot afford to ignore it.

There are always reactionary movements that appear and threaten to take us back into chaos at times of greatest change. But the radical transformation forced on us by the Reagan revolution is now crumbling. It is time to take courage and take action. There is no alternative to creating our own radical transformation in response. With leadership contributed by higher education unions in a coalition already in the making, we create a widely shared, radically inclusive vision of what all of us can make out of the future. ⁹ [nea](#)

ENDNOTES

1. Challenges from the business sector to the idea of a liberal education have occurred throughout its history. Challenges have also come from the defenders of the idea, who have debated what it would take to make a liberal education meaningful. The challenge we face now is from a political movement that would make the business model the sole criterion for evaluation.
2. Merrifield, “Not an Adversarial Relationship,” 1984.

3. Ibid.
4. U.S. Senate, Health, Education, Labor, and Pensions Committee Hearings, June 24 and August 4, 2010.
5. U.S. Government Accountability Office, "For-Profit Colleges," 2010.
6. Institute for College Access and Success, Oakland, CA. News Release. September 13, 2010.
7. U.S. Securities and Exchange Commission, "CEO Compensation at Publicly Traded Higher Education Companies," *Chronicle of Higher Education*. June 23, 2010, 7.
8. Sims, "Is College Worth It?" 2010.
9. Acknowledgements: I am grateful to the following colleagues for comments and suggestions that contributed to the development of the text: Henry Thomas, Ananya Roy, Greg McColm, Barbara McKenna, Sherman Dorn, Gillian Nassau, Jack Fiorito, Madelyn Issacs, Pat Dix, Scott Nygren, John Biro and Valerie Wilk.

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