

American Academic Capitalism at Home and Abroad

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University autonomy is a complex phenomenon. Academic freedom is central to the American conception of autonomy. Academic freedom means that faculty have the right to determine research and curriculum, to share one's research with others freely, to express one's views without fear of being fired. This conception of academic freedom is only meaningful if faculty have tenure, i.e. job security, and if there is meaningful faculty governance.

Autonomy is threatened today in the U.S., but it is not threatened, as it was in the 1950s during the McCarthy era, primarily by the state. To be sure there are exceptions. The government closely supervises the Title VI Area Studies Centers which it funds and threatens to interfere with Middle East Studies Centers that it deems unbalanced (that is, critical of Israel.). Daniel Horowitz, a former leftist turned conservative, has spearheaded a movement to get states to pass a so-called Academic Bill of Rights that would give state governments the power to interfere with what is taught within classes and who is hired. So far, those efforts have failed. Finally, the USA Patriot Act, passed in the wake of 9/11, gives the government, among other things, the power to monitor emails and to track what books people check out of libraries. Despite these worrisome developments, the main threat to university autonomy comes from elsewhere.

The threat comes, and has come for the last three decades, from the market. It comes from the corporatization of universities, the privatization of the knowledge produced there, the commodification of both students and knowledge, and the casualization of academic labor.

To understand what has happened to higher education in the U.S., we need to recall what is unique about the American system of higher education. Private universities are the most prestigious and well known, and the U.S. has more private universities than any other country. But, 80% of students attend public universities. Public universities, however, are becoming increasingly privatized and the differences between the two systems is lessening. State universities get an increasing proportion of their funds from the private sector. This is especially true of the best known ones, like Berkeley or Michigan, which get only about one-quarter of their funds from the state. Public and private universities alike are forced to get money from tuition, from foundations, from business and from donations from alumni. They must try to cut costs, especially labor costs.

Education is not considered a right, for which the state pays the bulk of the costs. Rather it is a privilege, for which individuals and families pay. Public universities cost between 3000 euros and 10,000 euros per year in tuition. Private universities are much more expensive. New York University, where I teach, costs 40,000 euros per year for

tuition and housing. To pay such high fees, students and families must take out loans, for there is a decreasing amount of fellowship money available. When the average student graduates, s/he is 7500 euros in debt.

Both private and public universities do get some state funding. There are some grants for students and the government does fund much basic research in science, medicine and technology. But over the last 30 years, the federal government has cut back funding of higher education dramatically. As a result, universities have turned from the state to the market, from the public sector to the private. American business has always had ties to American universities of a sort uncommon in Europe and elsewhere, but those ties have increased astronomically. Business-education partnerships abound. Of equal importance, higher education has become a business. Universities are not just like corporation; they are corporations.

What does it mean to say that the university is a corporation? It means many things. First universities are run like corporations by people who are from the corporate world. The Boards of Trustees who have final authority draw their members not from universities or public intellectuals. They draw their members from the business world—finance, real estate, industry, insurance, commerce. They see the university as a business and judge its operations by business criteria. The actual administrators of universities are increasingly drawn not from the faculty but from business and law and from those who have moved between business and government service.

Second, the corporate university is tuition driven. A major concern of those running universities is to increase the income stream. They do so by recruiting as many students as possible. Income is also increased by using students as low paid campus workers, who do jobs in the library, in the cafeteria etc that were once done by unionized workers. Finally, American universities open campuses abroad in order to recruit more students, increase the income stream and remain competitive.

American universities, like other corporations, have to market themselves and win customers. They try to develop a distinctive brand. My university, NYU, for example, used to market itself as “a private university in the public service;” then it became “the enterprise university.” When faculty said that was too blatantly corporate, the brand was changed to “the global network university,” a slogan that combines two business buzz words but whose meaning is utterly opaque. Universities are apt to censure anything held to “tarnish” the brand. The right-wing Liberty University in Virginia, for example, prohibited a Democratic Political Club on the grounds that it didn’t fit with the University’s mission. As a part of marketing, students are viewed and treated as customers, who consumer preferences must be attended to. They are also seen as one key end product of what universities produce.

The corporate university evaluates scholars and the knowledge they produce by market criteria. In all private universities and many public ones, faculty salaries vary depending on the prestige and profitability of the particular person and of his/her discipline as a whole. Medicine and Law pay salaries and give benefits that are at times

hundreds of thousands of dollars above those paid to professors of English or history. New hierarchies are created, with the humanities at the bottom and the sciences on top

The corporate university quantifies everything. It seeks to determine what makes money and what loses money. It seeks to enhance the bottom line, not just by marketing its brand, raising tuition, and seeking private donations. The corporate university seeks to invest in disciplines that bring in income. But how can universities make money on research? There are several ways. The Bayh-Dole Amendment, passed by the U.S. Congress in 1980, gave universities the right to license and market the results of research that is funded by the federal government. In other words, publicly funded research could be privatized and commodified. This has been done extensively in the sciences and medicine. In those fields there are also business-university partnerships in such fields of pharmaceuticals, computers and nanotechnology. The University of California at Berkeley and the associated Lawrence Livermore National Laboratory have entered into a 10 year, \$500 million dollar “strategic corporate alliance” with British Petroleum. BP has built a commercial laboratory that is associated with the academic one and the commercial lab is exempt from normal university supervision. This gives BP a veto over key academic decisions. Finally, both academic departments and individuals are urged to seek corporate funding. At NYU this is presented as linking the public and private, as sharing knowledge. In fact, it only occurs in areas where knowledge production leads to patents that business can buy or lease and from which it can make profits. Corporations are not interested in funding history or literary criticism or social work

Corporate funding of research thus severely limits autonomy in several ways. It promotes some research agendas and marginalizes others. Some disciplines are favored and others ignored, and even within those areas favored by “investment,” individual faculty and specific fields are treated differentially. Thus corporate funding enhances the prestige of some disciplines and fields and diminishes that of others.

Second, corporate funding destroys the “intellectual commons,” which is built on the principle that knowledge is public and should be shared. Corporate funding encourages the belief that knowledge is private property. And the U. S. state supports that view. Even though the state pays for much basic research, it allows the results of that research to become the private property of the university and its researchers.

Corporate funding alters the meaning of academic freedom. At Berkeley some faculty felt that British Petroleum-Berkeley alliance did not sufficiently regulate corporate control of research and restricted excessively who could know about and benefit from the research done. The Berkeley University Senate, however, rejected efforts to regulate the “strategic corporate alliance” more rigorously. A majority of faculty said that any restrictions would infringe on the academic freedom of individual professors. Academic freedom was seen as an individual right to engage in research on restrictive terms; not as the collective right of faculty to regulate the parameters in which research should be conducted.

But corporate funding does not bring substantial monetary rewards to most universities. A few universities reap benefits, especially from drugs such as the Hepatitis B vaccine, but for most universities, business-university partnerships cost money.

University autonomy is threatened not only by the corporate university's dependence on tuition, private donations, and business funded research. An additional threat to autonomy comes from the way that corporate universities manage academic labor. Over the past 30 years, universities have dramatically reconfigured the faculty, i.e. who teaches and under what conditions. Some schools talk of efficiency or cost accounting, others of flexibility, still others of "responsibility-center management". What ever the trendy term, the results are the same.

- * A growing proportion of those teaching in American universities are part time adjuncts or full time contract labor. In neither case is there job security.

- * In most colleges and universities 50-70% courses are taught by contingent labor.

- * Only one third of faculty at Am universities are tenured or tenure track and that number is dropping rapidly. Only 1/4 of new faculty hired are hired with tenure or on tenure track lines.

- *Wages for adjunct labor are extremely low--1800-3000 euros per course. An adjunct needs to teach 5-7 courses to barely survive.

- *Adjuncts have excessive workloads and miserable working conditions. Often they lack offices, computers, and telephones.

- *Adjuncts receive no benefits. In the U.S. that means that they have no health insurance and no private pension.

Why does the rapidly growing use of contingent labor in universities matter? It matters for the lives of those doing this work. These are graduate students, but they are also PhDs who can't get a full time, tenure track job. The majority are women. The pervasive use of adjunct and non tenured labor hurts the quality of undergraduate education. Contingent faculty who teach in several institutions have little time for an individual course or student. Finally, it has major implications for autonomy. Only tenured and tenure track faculty participate in faculty governance. The changing labor force, the growing use of "flexible" cheap, insecure labor thus erodes faculty governance and greatly enhances the power of the administration. The use of contingent labor also erodes academic freedom. Faculty who have no job security are not in a position to take controversial stances or even to shape their courses as they wish. There are many others available to fill their jobs and tenured faculty seldom come to their defense.

Academic labor is only one kind of casual, underpaid and usually not unionized labor on which American corporate universities rely. Undergraduate students work on average 30 hours per week, and that work is often on campus. Corporate universities also outsource cleaning, food services, and the campus book store. Again the outsourced labor is usually part-time, nonunionized and underpaid. The corporate university, in short, is bad for all kinds of labor.

The distinctive problems of American universities are unfortunately not just problems for the American model of the enterprise university, with its emphasis on competition, marketization, the commodification of knowledge and the growing involvement of business. American academic capitalism is not just an American problem for two reasons. The first involves the globalization of American higher education. American universities have set up thousands of study abroad programs. Of more importance, they have set up branch campuses, especially in the global South. NYU, for example, is opening a four year college in Abu Dhabi, and NYU is just one of dozens of universities setting up programs in the United Arab Emirates. These campuses export the American corporate model and often do so to places that threatened to restrict the autonomy of the university still more. There are concerns about how much academic freedom will prevail in Abu Dhabi, for example, how much unrestricted access to the internet, and how many rights for gays or faculty and students with Israeli passports.

NYU is moving abroad to make money, to “grow the business,” to gain prestige and remain competitive. A campus in Abu Dhabi gives content to NYU’s talk about being the new leadership university for 21st century and a “global network university.” But it is not just NYU who is doing this. The corporate university is trapped in the logic of a neoliberal capitalist economy. Growth must continue. New tuition paying students must be recruited. New business investments must be sought. Those states and businesses offering to invest in the brand must be catered to. The Sorbonne which is also in Abu Dhabi must be responding to similar imperatives. If the market model of higher education is not rejected, then universities will continue to act this way.

The problem of the American academic capitalism does not end with American universities going abroad. The American model is being emulated elsewhere. Three factors feed into often misguided admiration for American universities and attempts to emulate them. In Europe these are 1) neoliberal globalization, 2) competition among universities for students, funds and a higher position in the infamous ranking of universities published by Shanghai’s Jiao Tong University, and 3) the Bologna Process and resulting “Americanization” of European higher education. The process of creating lean and mean universities that live or die by the audit culture, as it is called, is most advanced in England—a lasting legacy of Thatcher. But Germany is moving in that direction or trying to. From left to right on the German political spectrum, there is admiration for American universities. (But the image of American universities is based on the very atypical rich elite universities, Harvard and Stanford above all. American universities seem to have autonomy from the state as well as wealth, meritocratic pay and outstanding students. This fascination with the American model ignores the influence of capitalism and the ways that commercialization and private investment shape and distort research and teaching. It ignores contingent labor and the cost of higher education and resulting student debt. It ignores the loss of autonomy.

Despite the German admiration for the American corporate model of higher education, it is the German state that is the driving force in “reform” efforts, such as the adoption of the BA/MA model, the creation of American-style junior professorships, and the Excellence Initiative, which aims to create a few elite universities and a few dozen excellence clusters and new graduate programs. These state driven efforts favor science, technology and medicine over the humanities and social science made them the

normative model of research, which other disciplines are told to emulate. The state favors those who can partner with business and thereby creates marked hierarchies among universities and disciplines. Privatization has made much less headway, however, although not because state hasn't tried to do things like institute tuition and get private donations. And private Bremen University nearly went bankrupt before it was saved by Swiss coffee mogul Klaus Jacobs.

How far the Americanization of higher education-- defined as corporatization, privatization and commodification—will go in Germany and elsewhere in Europe remains to be determined. We all need to learn how far it has gone and how we might collectively work to stop it.