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UP FOR DEBATE

What is the Relationship Between Higher Education and Neoliberalism in the U.S.?

Trevor Griffey

Elizabeth Tandy Shermer's "What's Really New about the Neoliberal University?" provides an eloquent history of higher education finance in the U.S.. In it, she argues that the current \$1.7 trillion student loan industry in the United States was an inevitable effect of the U.S. government seeking to boost higher education enrollment through an insufficient combination of grants and loans to students instead of providing direct subsidies to colleges and universities. By not covering the full costs of instruction through federal subsidies, Shermer argues, the U.S. government provided financial incentives to all higher education institutions (public, non-profit, and for-profit) to raise tuition and fees and engage in partnerships with wealthy donors and foundations to make up the difference between what students paid and what their education cost. She also reminds us that the cost of education goes beyond instruction and services, and that inadequate aid to students to cover their cost of living also has a long history of contributing to the indebtedness of poor, working class, and sometimes middle class college students. Federal policy thus did more than encourage students to seek social mobility through college and accumulate unpayable levels of debt in the process (with a disproportionate share of those most exploited being women and people of color). It effectively made American higher education institutions stratified from their inception, and always agents of the reproduction of social inequality. Shermer situates her analysis within the broader scholarship on American political development, and what she describes as its documentation of "the persistent economic insecurity, limited support, and inadequate funding that has defined the public-private welfare state that

overwhelmingly harmed immigrants and citizens of color, particularly women, long before Ronald Reagan's 1980 presidential victory."

Shermer frames her history in opposition to those who call the U.S. higher education system "neoliberal." Despite claiming in one part of her article that neoliberalism has an "ill-defined rise", in another part of her article she draws on David Harvey's definition of neoliberalism, and cites her own scholarship defining the term, to criticize those who might describe higher education institutions as neoliberal (except in cases of school bankruptcy). Her main argument against calling the university neoliberal does not depend upon policing the term's definition, however, so much as on identifying forms of college student indebtedness and worker and faculty exploitation that predate the 1970s. Because the costs of attending college have never been fully supported by taxpayers, and because U.S. colleges and universities have always relied upon and partnered with private interests, Shermer argues that calling the contemporary U.S. higher education system "neoliberal" is misleading, and depends upon a nostalgia for a free and fully public higher education system that never existed.

Though I admire Shermer's writing and her scholarship, I think her focus on the question of whether to call the U.S. higher education system neoliberal misses the opportunity to pursue a more generative and difficult-to-answer set of questions about the relationship between U.S. higher education and neoliberalism as a cultural, economic, and political project. At multiple points in her article, Shermer reminds us that passing the costs of public goods from the government to the individual consumer, and the de-professionalization of workers are not unique to higher education. But this lack of uniqueness is not in and of itself an explanation of why the college teaching profession has been so significantly hollowed out in the past half century, or why student debt became the second highest consumer debt after mortgages in the 21st century.

In what follows below, I explain why I think putting the history of higher education in relation to neoliberalism can be helpful for explaining these changes, whether or not one calls the university itself neoliberal.

Though Shermer's history of higher education before the 1970s is important, her focus on identifying root causes of the student debt crisis before the 1970s downplays the importance of factors that intensified that crisis during and after the 1970s. Schools didn't just increase tuition, and students didn't just take on increasing levels of debt, because federal aid was always intentionally insufficient to cover costs. Tax revolts and the rise of mass incarceration constrained state government spending on public schools as their enrollment increased, therefore incentivizing those schools to pass on an increasing share of the costs of education to students with the hope that the federal government could bail them out with aid.¹ This shift is entirely in keeping with Jamie Peck and Adam Tickell's definition of neoliberalism as a political project to "roll back" social welfare spending and "roll out" military and police spending to manage the social crises produced by resulting growing inequality.²

Suzanne Mettler's analysis in her book *Degrees of Inequality* helps explain what happened when states tried to pass a growing share of the costs of their public higher education systems onto the federal government, but you would never know it from Shermer's description of her work. Though Shermer criticizes Mettler for writing that "Something happened beginning in the 1980s", the "something" that Mettler was referring to was not Ronald Reagan's election but lower generational college attendance rates for generations that followed the baby boom compared to other countries. Mettler, who does not use the term neoliberal to describe U.S. higher education policy, argues that rising college tuition and fees reduced educational access, and were the result of growing political polarization and plutocracy, which combined to form a

“policyscape” that did not effectively represent widespread popular support for affordable higher education between the 1970s and 2010s. Mettler does argue that President Ronald Reagan played a part in this broader shift by limiting the growth of student aid to cover the rising cost of tuition, which had the effect of forcing public school students to go into greater levels of debt. But she doesn’t assign all blame to President Reagan or the Republican Party, let alone to neoliberalism, for growing inequality in U.S. higher education. Mettler’s focus on the post-1960s era is because she’s seeking to explain why “The value of the maximum grant award in covering the cost of tuition, fees, room and board at the average four year public university has fallen from nearly 80 percent in the 1970s to only 31 percent in 2012–2013”, not why it wasn’t 100 percent in the 1970s.³

Likewise, Shermer’s description of faculty tenure as having never protected all college professors leaves her explanation for the intensification of the decline of faculty tenure since the 1970s underdeveloped. Shermer notes that “Only 78% of faculty were tenured or tenure-track” in 1970, while by the 21st century it was closer to 30 percent. I think Shermer’s data is incorrect here. According to AAUP data, 78 percent of faculty were full-time or tenure track in 1975, but only 57 percent were on the tenure track.⁴ But regardless of whether tenure density declined by a little under 50 percent or by more than 60 percent since the 1970s, this dramatic change seems to mainly have happened during the period that neoliberalism was ascendant or dominant in U.S. political culture.

Studies of changes in higher education administration can help make sense of how the business of higher education has become less and less about teaching. Some of the most sophisticated scholarship on the relationship between neoliberalism and higher education administration is the research on “academic capitalism”— a phrase first coined by Sheila

Slaughter and Larry Leslie 25 years ago, expanded upon by Sheila Slaughter and Gary Rhoades in 2004, and forming a kind of subfield of its own within the field of education ever since.⁵ Though Slaughter and Rhoades do not call the university neoliberal, they treat new forms of school commercialization and rent-seeking, including but not limited to intensified labor exploitation, as directly related to the development of what they call the “neoliberal state”, the decline of Cold War defense research spending, and the increased influence of biomedical research funding upon universities.⁶ All of these are post-1960s shifts in higher education organization and management, often embraced by and not resisted by higher education administrators. Slaughter and Rhoades’s work, in my opinion, supports Shermer’s argument that the “Business of American Education Has Always Been Business,” because they are careful to caution against nostalgia for the Cold War research university, and their work does not engage in simplistic criticism of public-private partnerships. But they still document the novelty and intensity of forms of rent-seeking that have become totally enmeshed in U.S. higher education management, which arguably require a new language to describe and a new politics to regulate or even abolish.

Shermer does indicate an awareness of scholarship on academic capitalism when she writes that during and after the 1970s, “Administrators also experimented with profiting off of patents, recruiting more foreign students, brokering transnational partnerships to begin degree programs abroad, and offering online options in order to better compete with for-profits that really began exploiting their federal tuition-assistance eligibility in the 1990s when these institutions’ numbers and student bodies markedly increased.” But she doesn’t cite Slaughter and Rhoades’s work for this passage, or address their reliance upon theories of the neoliberal state to explain these changes. Instead, this is one of twenty-four instances in the article when she cites

her forthcoming book, *Indenturing Students*, from which her article is drawn, rather than the book's sources. Because *Indenturing Students* has not yet been published at the time of this writing, it's difficult to evaluate her engagement with scholars on how higher education financialization and management may or may not relate to neoliberalism.

In my own use of the term “neoliberal university”, including as a respondent to the LAWCHA Presidential Address in 2020, I have used it as shorthand to describe the well-documented decline in per-capita state government funding for public higher education that has taken place around the country since the 1970s, and corresponding increasing student indebtedness and worker exploitation.⁷ Even though there has never been a purely public university whose costs were entirely covered by taxpayers, it requires some effort to divorce the history of the systematic per-capita defunding of public colleges and universities from the history of neoliberalism. Shermer acknowledges that “Lawmakers in Washington, across the country, and in both parties generally had little interest in more taxing and spending to support what remained of the New Deal’s public/private social-safety net”, but she does not explain why or identify ways this aversion to maintaining or expanding the “public/private social safety net” might have something to do with neoliberalism as a political project.

Calling the university neoliberal may sometimes be problematic, and I’m not attached to use of the term, but the stakes of the debate over whether to use the phrase seem low. In academic circles, “neoliberal university” is not a phrase that has much purchase in the fields of education, sociology, or political science. Even among scholar activists, like those in critical university studies, use of the term is negligible, and nostalgia is not the basis of their analysis.⁸ It is left-leaning labor and social justice activists and advocacy journalists— not, for the most part, academics— who sometimes use the phrase “neoliberal university” to name contemporary

higher education practices that reproduce social inequality and that seem connected to neoliberalism and a political, economic, and cultural project. Some of those connections may be too vague to sustain under close scrutiny. But just as those who call for a “New Deal for Higher Education” are not nostalgic for the New Deal’s mass deportations of immigrants or failure to connect social democratic policy with anti-discrimination law, those who use the term neoliberal university are not nostalgic for segregated schools, military-funded research universities, and patriarchy that were major features of the early Cold War university.⁹ If there is any nostalgia in liberal or left U.S. political culture as it relates to higher education, it is mainly for free tuition, which some school systems used to offer but almost none still do. It’s true that those who celebrate the California master plan or the G.I. Bill uncritically may not be making precise claims about the past. Their main work is not as historians, but as advocates for free college today. Their occasional use of the term “neoliberal university” to describe contemporary higher education has essentially no influence on contemporary scholarship, and doesn’t present any barrier to the social democratic reforms Shermer proposes at the end of her article.

Finally, on the question of policy proposals, Shermer’s valuable insights regarding the decentralized and complex U.S. higher education system, and its fundamental dependence upon federal policy without being owned or operated by the federal government, seem out of step with her call for “shifting the federal government’s resources away from tuition assistance and toward federal aid.” As Robert Samuels has pointed out, providing free college (whether as aid to schools or to students) requires efforts to “try to contain increases in the cost of tuition or related college expenses. Just as in the case health care, if you subsidize something but do not control its costs, it will not be able to achieve its policy goals.”¹⁰ Without cost controls, direct federal funding would incentivize school administrators to do the same thing that Shermer demonstrates

they have done with student aid: shoot for the moon when requesting government subsidies, then shortchange students on instructional spending in the name of fiscal prudence. Recent history suggests that the revenue generated by this profiteering will then be stashed away in reserves to boost schools' bond ratings, spent on institutional empire building and public-private partnerships, or even redistributed as shareholder profits. The development of the private student loan industry was partly an effect of the federal government not wanting to provide unlimited grants to students as tuition skyrocketed. Assuming that the federal government will not write blank checks to schools to reduce tuition, the political struggle over what level of funding is "sufficient", and whether the federal government should subsidize attendance of private schools at all, must also in some ways extend federal control over school spending. If done by progressives, this control might work as a form of consumer protection in the name of quality control against now-commonplace forms of rent-seeking. But such reform not only positions the demand for free college against principles of federalism. It also positions advocates of free college against the political coalition of private schools, banks, racists, theocrats and various other conservatives and neoliberals who invoke federalist constitutional principles to provide cover for the massive profiteering taking place in the current system. Whether or not cost controls are exerted by replacing student reliance on loans with grants, or through direct subsidies to schools, seems less important than the fact that providing free or close-to-free college requires a massive extension of U.S. government regulatory power over schools' finances. Creating such power would represent a direct challenge to the "public private welfare state" that Shermer effectively situates U.S. higher education within. It might even put struggles to transform higher education at the heart of struggles to develop alternatives to neoliberalism.

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¹ On how funding mass incarceration effectively undermined California's master plan for higher education, see Sonya Tafoya and Sarah Bohn, "Spending on Corrections and Higher Education." Public Policy Institute of California (blog). August 4, 2016. Accessed January 3, 2021. <https://www.ppic.org/blog/spending-on-corrections-and-higher-education/>; Ruth Wilson Gilmore, *Golden Gulag: Prisons, Surplus, Crisis, and Opposition in Globalizing California* (Oakland: UC Press, 2007), 73-74.

² Jamie Peck and Adam Tickell, "Neoliberalizing Space." *Antipode*, vol. 34, no. 3, 2002, pp. 380-404.

³ Suzanne Mettler, *Degrees of Inequality: How the Politics of Education Sabotaged the American Dream* (New York: Basic Books, 2014), 10.

⁴ AAUP, "Annual Report on the Economic Status of the Profession, 2015-16", *Academe*, March-April, 2016, 14.

⁵ Sheila Slaughter and Gary Rhoades, *Academic Capitalism and the New Economy: Markets, States and Higher Education* (Baltimore: Johns Hopkins Press, 2004).

⁶ Slaughter and Rhoades, *Academic Capitalism and the New Economy*, Chap. 1.

⁷ Julie Greene, "Rethinking the Boundaries of Class: Lessons from Transnational Labor History and the Neoliberal University", LAWCHA Presidential Address, April, 2020. Accessed March 27, 2021. https://drive.google.com/file/d/1Q46qA_B3BWru55n-16zQkGXhPOdnrLQ/view

⁸ On critical university studies, see Jeffrey J. Williams, "Deconstructing Academe: The Birth of Critical University Studies", *The Chronicle of Higher Education*, February 19, 2012. Accessed March 27, 2021. <https://www.chronicle.com/article/deconstructing-academe/>. See also the Critical University Studies series at Johns Hopkins University Press. I disagree with Nick Mitchell and Abigail Boggs's representation of critical university studies as nostalgic, because they do not engage with Slaughter and Rhoades's critique of the Cold War research university, and do not closely evaluate Chris Newfield's critique of the racism and sexism of U.S. higher education in his book *Unmaking the Public University*. Abigail Boggs and Nick Mitchell, "Critical University Studies and the Crisis Consensus." *Feminist Studies* 44, no. 2 (2018): 432-63. Christopher Newfield, *Unmaking the Public University: The Forty-Year Assault on the Middle Class* (Cambridge, Mass.: Harvard University Press, 2011).

⁹ Scholars for a New Deal for Higher Education. Accessed March 27, 2021.

<https://scholarsforanewdealforhighered.org/>. See also, Suzanne Kahn, Jennifer Mittelstadt, Lisa Levenstein, "A True New Deal for Higher Education: How a Stimulus for Higher Ed Can Advance Progressive Policy Goals." December 16, 2020. Roosevelt Institute Issue Brief. Accessed March 27, 2021. https://rooseveltinstitute.org/wp-content/uploads/2020/12/RI_HigherEd_IssueBrief_202012-1.pdf

¹⁰ Robert Samuels, "Be Wary the Details," *Inside Higher Education*, January 6, 2017. Accessed March 27, 2021. <https://www.insidehighered.com/views/2017/01/06/problems-new-york-tuition-free-public-college-plan-essay>