THE CHRONICLE OF HIGHER EDUCATION

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THE CHRONICLE REVIEW

The Corporate Assault on Higher Education

Randy Lyhus for The Chronicle Review

By Gordon Lafer APRIL 30, 2017 PREMIUM

A barrage of policy proposals threatens to fundamentally transform higher education. In Kansas, the Board of Regents erases the notion of academic freedom by deciding that faculty members can be fired for social-media comments deemed "contrary to the best interests of the university." An Iowa lawmaker says he doesn't think that "bad professors should have a lifetime position." In Florida, the governor proposes a system of "differentiated tuition" that would raise fees on the humanities while keeping them low for business and computer-science majors. And legislators

around the country are demanding that state universities use online courses to create a four-year degree costing less than $10,000.

These and similar policies have raised cries of alarm, but how should we understand them? What, if anything, links such disparate initiatives? Why are they all happening now? Are these the manifestations of cultural conservatives trying to impose a political order on young minds? The backlash from families sick of watching tuition grow ever steeper while their own wages stagnate? Working-class resentment toward arrogant eggheads?

No. They are part of a coherent and well-coordinated agenda that is fueled by the largest and most powerful political forces in the country: the nation's premier corporate lobbies. The key to understanding the attacks on academe — and to revealing the bleak future toward which they lead — is understanding the ways in which these proposals serve what the country's biggest corporations believe is their interest.

To understand their agenda, don't look at congressional hearings or presidential tweets but to the 50 state legislatures, where business lobbyists have spent the past decade waging an ambitious campaign to reshape the relationships between citizens and their government, and between workers and their employers.

The Supreme Court's 2010 *Citizens United* decision ushered in a new legislative era, shaped by unlimited corporate spending on politics. That fall's elections were the first conducted under the new rules, and they brought dramatic change. Eleven states switched from Democratic or divided control to Republican control of the governorship and both houses of the legislature. Since those lawmakers took office in early 2011, the United States has seen an unprecedented wave of legislation aimed at lowering labor standards and slashing public services.

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The best-known effort came in Wisconsin, where Gov. Scott Walker pushed through legislation that effectively eliminated the right to collective bargaining for his state's 175,000 public employees. Yet what happened in Wisconsin was part of a much broader pattern. In the five years following *Citizens United*, bills restricting public employees' collective-bargaining rights were adopted in 15 states. Labor standards were undermined for nonunion workers as well during this period, with 12 states

passing laws restricting the minimum wage, four easing limits on child labor, and 19 imposing new caps on unemployment benefits. *Citizens United* also brought drastic cuts in education, health services, mass transit, libraries, and other public services. K-12 education too has seen vast funding cuts in recent years, resulting in increased student-teacher ratios, the reversal of a 30-year trend.

At the heart of this legislative activism are the country's premier business lobbies: the U.S. Chamber of Commerce, the National Association of Manufacturers, and the National Federation of Independent Business, along with the Koch-funded Americans for Prosperity. At the state level, corporate lobbying is coordinated above all by the American Legislative Exchange Council, known as ALEC, which counts most other business lobbies among its affiliates.

The corporate agenda is carried out through an integrated network that operates on multiple channels at once. It finances ALEC to write bills, craft legislative talking points, and provide a meeting place for legislators and lobbyists to build relationships. It supports local think tanks in the ALEC-affiliated State Policy Network to produce white papers, legislative testimony, opinion columns, and media experts. It contributes to candidate campaigns and party committees. It underwrites independent expenditures on behalf of lawmakers or issues. And it deploys field organizers to key legislative districts.

Most scholarly work on business influence in U.S. politics focuses on the federal government. To understand the current political agenda of the country's biggest corporate lobbies, however, it is much more fruitful to study the states. For starters, there is simply a much larger volume of legislation to examine. In a given two-year Congress, only a handful of significant policies are enacted. By contrast, ALEC alone estimates that 200 of its sponsored bills are adopted every year in state legislatures. At the same time, many of the factors that strengthen corporate political influence are magnified in the states.

For example, far fewer people pay attention to state government, granting wider latitude for well-funded interests. The political scientist Martin Gilens notes that only when policy debates attract widespread public attention are politicians even modestly responsive to the bottom 90 percent of the population. If such attention is rare at the federal level, it is rarer still in the states. Less than one-quarter of adults are able to name their state representative, and less than half even know which party is in the majority. Apart from unions and a handful of progressive activists, the corporate agenda encounters little resistance at the state level because hardly anyone knows about or understands the issues.

Corporate lobbies' financial advantage is also magnified in the states. Because of *Citizens United*, as of 2010, 22 states maintained bans on independent political expenditures by corporations or labor unions; all were overturned by the Supreme Court's decision. The result was an increase by four percentage points in the odds of a Republican being elected, primarily as a result of increased business contributions.

Because state legislative races are so much cheaper than federal elections, those contributions go further. Consider North Carolina, where a network of organizations overseen by the retail executive and corporate activist Art Pope spent $2.3 million on legislative races in 2010, single-handedly doubling the budgets of his chosen candidates. Republicans won nearly 80 percent of the seats Pope targeted in 2010, enabling the GOP to gain complete control of the state legislature for the first time since Reconstruction.

The struggle between employers and employees — and the outsized influence of business lobbies — is hardly new. Chambers of commerce fought against the eight-hour day, Social Security, and the minimum wage. An impressive body of scholarship has shown that the country's big business lobbies have consistently sought to minimize or reverse the accomplishments of the New Deal, starting shortly after it began. Yet the shape of the struggle changes, and we cannot understand corporate lobbies' aims in the 21st century simply by examining their behavior in the 1940s or 1970s.

One of the distinguishing features of the current U.S. economy is the degree of globalization. It may never have been entirely true that "what was good for our country was good for General Motors," as the company's president suggested in 1953. But the alignment between corporate and national interests was certainly much closer when companies relied on Americans both to make and to buy their products. Currently, a majority of GM employees and nearly two-thirds of the cars it sells are overseas, with the number of cars sold in China alone surpassing the U.S. total. GM has remained highly engaged in American politics, including in recent years serving as an ALEC Task Force member, a member of NAM's Board of Directors, and a partner of the U.S. Chamber of Commerce. But this influence is now exercised on behalf of a company for which American workers' skills and household incomes matter less than ever before.

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are increasingly disconnected from the fate of the country's citizens.

GM’s situation is far from unique. For the first time, many of the country’s most powerful political actors are companies whose headquarters may be located in America but whose profitability does not primarily depend on the fortunes of American society. Foreign sales now account for 48 percent of the S&P 500’s total corporate revenues. Among recent ALEC member corporations, Exxon Mobil, Caterpillar, Procter & Gamble, Pfizer, Dow Chemical, and IBM all earn more than 60 percent of their revenue outside the U.S. This marks a new departure in American politics: Some of the most influential actors in the legislative process have political interests that are increasingly disconnected from the fate of the country’s citizens. Corporate politics in the 21st century are further marked by a fundamental pessimism about the American economy. The United States is an economy in decline, with an increasing number of Americans unable to support their families at a minimally decent standard of living. In just three years, the post-2008 Great Recession erased two decades of growth in average household income. But the larger concern is a longer-term trend: the dismantling of the New Deal policies that created a booming middle class for several decades in the mid-20th century. In the new economy, decline — gradual but relentless — has become the new normal for an increasing share of the country.

For the corporate lobbies, growing inequality poses a central political challenge: how to advance policies that are bound to exacerbate inequality, while avoiding a populist backlash. ALEC and chamber of commerce lobbyists are aware that much of their agenda is broadly unpopular. This problem was particularly acute in the heat of the 2008 financial crisis and during the onset of the Great Recession. Most of the country blamed the financial crisis on insufficient government regulation. An overwhelming majority — including three-quarters of Republicans — believed the government should ban bonuses in banks that received federal assistance. From 2007 through 2009, a significant majority of Americans not only supported a "public option" for health insurance, but wanted a single-payer system. And for at least a decade, two-thirds of the country has consistently held that corporations pay too little in taxes; in 2015, a majority supported the proposition that "our government should … redistribute wealth by heavy taxes on the rich."

The corporate lobbies, understandably nervous about managing these sentiments, have sought to defang economic resentment. The legislative record suggests that this concern has been embodied in four types of actions:

n Laws that constrain or abolish the institutional vehicles through which working people seek to challenge corporate power. These include the elimination of labor unions, restrictions on citizens' right to sue for corporate malfeasance, and limits on government's authority to regulate corporate behavior.

n Privatization of public services, removing focal points around which public demands or protest might coalesce, erasing the notion that government is responsible for meeting essential needs, and heightening the population's dependence on private employers.

n Initiatives to restrict the public's right to vote on redistributive policies, making it illegal for city councils to vote on regulating fracking, policing wage theft, or raising the minimum wage.

n Finally, and most subtly, the corporate lobbies appear to be encouraging a broad cultural shift toward lowered expectations regarding what workers may demand from their employers and what citizens may demand from their government. In this sense, draconian cuts in public services may serve a long-term political strategy, quite apart from their short-term impact on taxes or government regulations: normalizing downward mobility. And a key public service among those is higher education.

Recent years have seen state legislative actions that aim to eliminate tenure, replace human instruction with technology, defund the liberal arts, and eliminate the system of higher education conceived as an obligation of the states to provide affordable college education to academically worthy citizens as a public good.
In multiple states, higher-education budgets have been cut even when there was no fiscal crisis, and often at the same time that new tax cuts were offered to corporations and the wealthy. In Kansas, lawmakers cut higher-education funding at the same time that they reduced taxes for the state's wealthiest citizens by 25 percent — more than enough to keep the university system intact. In Illinois, Gov. Bruce Rauner has forced a 34-percent cut on the state university system and continues to insist a new budget can be signed only if the legislature addresses the crisis of the faculty's "hugely expensive pensions" and "very expensive work rules."

In Wisconsin, the only state where the right to tenure was written into state law, this legal protection was abolished in 2015. Under the new regime, any tenured faculty member can be fired "when such an action is deemed necessary due to a budget or program decision." In 2017, bills have been proposed eliminating tenure for all Iowa faculty, and for all new hires in Missouri. The proponents' arguments are strikingly similar to recent attacks on schoolteachers and public employees more generally.

"Where else in any other industry do you have … a protection to where after you work somewhere for so long you're basically immune?" asks State Rep. Rick Brattin of Missouri, a Republican. "That doesn't exist anywhere except for our education system, and that's just un-American."

State officials and corporate lobbyists alike are calling for particularly heavy cutbacks in the liberal arts. In Florida, the governor's higher-education task force — chaired by the president of that state's Chamber of Commerce Foundation — called for "differentiated tuition," whereby students in STEM, business, and other majors demanded by industry would pay lower rates, while those who chose to study literature or philosophy would face higher tuition.

Finally, ALEC proposes to erase the line between public and private education — in higher education as in K-12 — through a voucher system that would allow in-state students to take their share of the state's higher-education funding and use it to attend private colleges. In North Carolina, the James G. Martin Center for Academic Renewal (formerly known as the Pope Center — think tank of the state's leading Republican donor and Koch collaborator) argues for raising tuition in the public university system, and using state tax dollars for tuition grants usable at private colleges.

These pieces fit together in a coherent if disturbing vision. For the corporate elite, the institution of mass higher education has become an expensive and unnecessary luxury. To the extent that university graduates are needed to staff corporations, this is more easily accomplished by targeting funding to specific programs. Not only are the liberal arts themselves superfluous, but the very idea of liberal education — universities as a place outside the competitive pressures of the rat race, where students and faculty are protected by standards of academic freedom — has become a hindrance rather than a help.

The corporate vision of 21st-century higher education is simply professional job training. This not only reduces the number of disciplines deemed deserving of funding, but also fundamentally alters the meaning of education. Career training is not about broad-mindedness, critical thinking, self-discovery, or personal expression; it is about conveying facts and competencies. These do not require academic freedom, hence tenure comes to seem like nothing but an undeserved perk. This is the logic that led Governor Walker of Wisconsin to propose stripping out of the University of Wisconsin mission statement the notion that "the University exists to provide public service and improve the human condition" and that "the search for truth" is fundamental to the university's purpose.

Cutting education funding is not simply a means to facilitate tax cuts for the rich. It also serves to lower expectations for the masses. The institutions of public higher education embody the idea that people have a right — simply by dint of citizenship — to an affordable postsecondary education. That sense of entitlement is itself a danger for the corporate elite. Thus, the proposal to turn higher-education funding into vouchers not only drains public money into the private sphere, it undercuts the notion of higher education as a public good. Ultimately, if public and private schools are both simply alternative venues for professional job training, why should there even be a public system?

In 1970, an education aide to President Richard Nixon warned that "we are in danger of producing an educated proletariat. … We have to be selective about who we allow through higher education. If not, we will have a large number of highly trained and unemployed people." Now as then, one of the most dangerous things the corporate elite can contemplate is a large number of highly educated people who feel entitled to a standard of living they are being denied. For all the reasons outlined here, then, the reconfiguration of higher education as job training — devoid of protections of academic freedom, with no need for tenure and no rationale for state sponsorship, conceived not as an escape from the rat race but an essential component of it — fits the self-interests of 21st-century American corporations.

This is a gloomy vision of the future. But it is not a popular one. At the same time that corporate lobbies have won an impressive string of victories in state legislatures, Bernie Sanders mounted an effective presidential campaign in large part on the promise of free higher education, an idea New York State is now experimenting with. As we move into an uncertain future, it is the battle between these two visions that will shape the education and life chances of coming generations.

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A version of this article appeared in the May 5, 2017 issue.