Article

U.S. Higher Education and the Crisis of Care

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Abstract: This essay situates the fate of the humanities within the broad perspective of the geopolitical economy of neoliberal capitalism. This article adapts Nancy Fraser’s historical analysis of the three phases of the “crisis of care” to understand our latest phase (1975–2017) of the capitalist world system. With respect to higher education, the shift towards privatization has had devastating effects, especially for the humanities and social sciences. By reconsidering the public and social benefits of higher education, we can restore the educational core of the humanities.

Keywords: higher education; crisis of care; privatization; social benefits; public commons; tuition increases; funding rationales

The re-structuring of U.S. higher education over the last forty years is one of the more visible signs of what Nancy Fraser (and many other feminist writers1) have called “the crisis of care” that has characterized the history of the capitalist world-system since the Anthropocene began during the early stages of the Industrial Revolution. In simple terms, it means that concern for profit and markets have counted for more than care for our social bonds and common good. Or, as Fraser argues, the crucial contradiction is between economic production and social reproduction. The former depends upon the latter, but it tends to conceal that dependency. In Fraser’s terms, “the capitalist economy relies on—one might say, free rides on—activities of provisioning, caregiving and interaction that produce and maintain social bonds, although it accords them no monetized value and treats them as if they were free.” (Fraser 2016, p. 101).

These formulations seem to contradict the sense of “social reproduction” that Marx first formulated as a name for the reproduction of socio-economic inequalities. In the late 20th-century, Pierre Bourdieu refined the dynamics of social reproduction in such books as Distinction (Bourdieu 1984) where he detailed through his empirical research the connections between what he called “symbolic capital” and the forms of “symbolic violence” that reproduce social inequality2. But some feminist theorists have offered a richly qualified analysis of the contradictions that inhere in the processes of social reproduction. In their eyes, the concept of social reproduction has been developed too exclusively in the masculinist discourse guided by the hermeneutics of suspicion whereby social reproduction always refers to the negative reproduction of unjust hierarchies such as the “separate spheres” of women’s work within the home and men’s labor outside. Those feminists committed to the dialectics between negative critique and positive forms of reparative criticism,3

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1 The feminist discourse of “The Care Crisis” has emerged in recent decades in both academic and non-academic discourse. An example in a more public venue is Ruth Rosen’s article “The Care Crisis” in The Nation (Rosen 2007). See also (Boffey 2015; Hess 2013; Phillips and Benner 1995).


3 See, for instance, Eve Sedgwick’s analysis of “reparative criticism” in Touching Feeling, especially (Sedgwick 2003, chp. 4, pp. 123–51); also (Berlant 2011, p. 124).
have argued, in contrast, that there are significant, necessary and positive dimensions to some of the basic processes of human reproduction, even though they have too often been cordoned off to the domestic sphere as women’s unpaid labor. In these activities, human beings need non-violent, non-sexist and non-exploitive forms of caregiving. In short, you cannot just eliminate all forms of social reproduction and expect human beings to survive. As Fraser explains, living in “households, building communities and sustaining the shared meanings, affective dispositions and horizons of value that underpin social cooperation” (Fraser 2016, p. 101) are not just value-added luxuries but human necessities. Given this more dialectical understanding of the deep contradictions in the dynamics of social reproduction, the latter also includes the broad range of caretaking activities necessary for human growth and development such as child care, health care, elderly care, and education care—all of which often fall under the category of human resources. Fraser focuses on the gender consequences of this imbalance where women have been called upon to bear the burden of social reproduction, but she demonstrates that it also exacerbates deeply racial and ethnic hierarchies. The reciprocal bonds of commonality for the many often get crushed by the hierarchies of unlimited accumulation for the few.

For those of us working and learning in higher education, the most recent and intense phase of this crisis of care has, as Christopher Newfield puts it, “Wrecked Public Universities,” with especially dire consequences for the humanities and social sciences. But, before we get to those details, it is worth summarizing Fraser’s cogent framework for understanding the background leading up to our 21st century crisis.

Fraser outlines three historical phases of the crisis of care beginning with its modern origins in the 19th century. The mythical separation of the economic system from social and political values depended on “the ideal of ‘separate spheres’” (Fraser 2016, p. 104): the industrial-capital focus on economic production depended on male authority over economic decisions while women served in the domestic sphere to fulfill all the caretaking activities necessary for social reproduction. Of course, the huge class hierarchies prevented many in the working class or unemployed from ever having the material conditions necessary for successful caregiving. Bourdieu’s notion of social reproduction demonstrated the power of all kinds of cultural activities (higher education included) to reproduce these unjust hierarchies as they are deeply linked to the mode of economic production in capitalist economies. Fraser highlights the contradictions between such hierarchies and the need to socially reproduce various life-sustaining non-hierarchical kinds of caregiving necessary for human life no matter what mode of economic production. It is often difficult to locate strands of these alternatives in the capitalist world-system, but they do exist, even if marginalized and suppressed from the dominant culture.

Beginning in the 19th century, the industrial capital stage of the crisis of care eventually reached a tipping point in the mid-20th century. The pressures of the Great Depression and the World Wars led to a significant social transformation with the formation of the modern welfare states following World War II. The post-War global economy was orchestrated by the agreements signed by more than 700 delegates from the 44 Allied Nations who in July 1944 gathered in Bretton Woods, New Hampshire, towards the end of World War II. The Bretton Woods agreements created the International Financial Institutions (IFI), such as the World Bank, and the International Monetary Fund, that shaped the newly mapped “Culture of Three Worlds” (Denning 2004) centered on the “Washington Consensus” whereby the United States became the dominant nation in the global economy. But the post-War period can really be divided into two basic phases: the period of expansion (from 1945 to about 1975) followed by the period of contraction beginning in the late 1970s when, as David Harvey argues, Margaret Thatcher in Great Britain, Deng Xiaoping in China, and Ronald Reagan in the U.S. became world leaders (See (Harvey 2007), A Brief History).

The immediate post-World War II expansionary period of the global economy saw the establishment of what Fraser calls “state-managed capitalism” characteristic of the North Atlantic welfare states. As she explains, this modification of the capitalist political economy served to mitigate the crisis by defusing “the contradiction between economic production and social reproduction in a
different way—by enlisting state power on the side of reproduction” (Fraser 2016, p. 108), and thus assuming some public responsibility for human resources. Since, “the working classes no longer possessed the means to reproduce themselves on their own” (Fraser 2016, p. 109), the state now had to intervene by providing such basic necessities as social security, schooling, healthcare, childcare, and higher education. This all represented “a democratic advance” (Fraser 2016, p. 110), but with many caveats and limitations necessary to sustain the capitalist world-system: the military funding rationales of the Cold War and the space race compromised funding for human resources; the expectation that men would work and women stay home legitimated gender hierarchy; racial hierarchies were re-enforced by excluding many African-Americans from social entitlements; and the neocolonialist economy financed the social entitlements by expropriating resources from the Third World periphery (as well as the disenfranchised periphery within the core). “In these respects, social democracy sacrificed emancipation to an alliance of social protection and marketization” (Fraser 2016, p. 111).

Despite these limitations, state-managed capitalism did fuel higher education. Beginning with the first GI Bill (1944; called “Servicemen’s Readjustment Act”), followed soon by the Truman Commission on Higher Education (1946; called “Higher Education for American Democracy”), the National Defense Education Act (1958), and the Higher Education Act (1965), this nation invested deeply in higher education—these investments represent one of the great social experiments of modern times. It produced the most dynamic system of higher education on the face of the earth. Some real care was provided for young adults (at least for me and my generation), because anyone from a middle class background could dream of attending a university. And we did. Higher education grew exponentially from 4 million students in 1945 to 12 million in 1980. By 1970, the higher education system in the United States was the envy of the world (for many more reasons than just enrollment and graduation rates, including the vast university investment in both basic and applied research leading to technological and military developments). But, indeed, the U.S. had the highest graduation rates of any nation on the planet.

Then the right-wing backlash to the welfare state began to gather force. Two months before his appointment by President Nixon in 1971 as a Supreme Court Justice, Lewis F. Powell wrote his infamous “Powell Memo” (or “Powell Manifesto” as it is sometimes called). It was a remarkably effective rhetorical act. No other document in United State history prior to that time had ever more directly placed higher education under fire as the root cause (“the single most dynamic source” 12) of major American social and economic problems. Powell attacked universities for harboring intellectuals unsympathetic to free-market capitalism, and he called for “faculty balance” in academia. Although it was supposed to be a confidential memo to Eugene Sydnor, Jr., the Chairman of the Education Committee of the U.S. Chamber of Commerce, this detailed, lengthy (34-page) Memo outlined the reasons that every “major college . . . is graduating scores of bright young men [sic] who . . . despise the American political and economic system” (Powell 1971, p. 5). The Memo was widely circulated among business organizations, and, rhetorically speaking, it served as a trigger for the right-wing backlash, the counter-revolution to the radical and progressive challenges to higher education of the 1960s.

It was remarkably effective. Forty years later, the U.S. now ranks 38th out of 43 developed nations in terms of progress in academic attainment (Newfield 2008, p. 19). Higher education costs in the United States are now greater on average than any other nation on earth, “with the partial exception of Japan” (Newfield 2008, p. 133). Most states have cut public funding for higher education by more than 50% in constant dollars. Tuition in the U.S. has gone up by nearly 300% between 1990 and 2012, “twice the increase seen in health care costs” (Newfield 2008, p. 24). Student debt in the U.S. now exceeds $1.3 trillion dollars, greater than any other single source of debt; student loans cannot be liquidated with bankruptcy; there are no statues of limitations on this form of debt; and they have no other form of consumer protection such as are available for credit card and home mortgage debt. And in terms of supply and demand, demand has been off the charts: the funding cuts have all happened at the same time that overall U.S. college enrollment rose from 12 million in 1980 to over 20 million students today.
Indeed, the backlash against the regulations necessary for the welfare state dismantled the accommodations for social reproduction of the positive, care-giving activities such as childcare, healthcare and education. These changes have had devastating effects on higher education in the U.S., especially in the humanities and social sciences. First, the limitations of state-managed capitalism faced the ideological critiques emerging out of the social movements of the 1960s that challenged the hierarchies of gender, race, and class. Second, the ideological critique was followed by the widespread decline in global productivity after the 1973 Arab oil embargo. Beginning in the 1970s, the welfare state regulations rapidly (if not entirely) came undone under the even more extreme version of free market fundamentalism called “neoliberalism.” But the deregulations for the wealthy were accompanied by severe regulations for vulnerable populations. President Nixon’s 1972 proclamation of the “War on Drugs” and the regime of “Law and Order” led to the rapidly increasing practice of mass incarceration: in 1970 the U.S. prison population was about 370,000; by 2017, it is more than 2.3 million. Criminalization was racialized and, in some cases, privatized: although African Americans represent only about 13% of the U.S. population, the prison population is 38% black; and the Corrections Corporation of America (CCA, founded in 1983; now called CoreCivic) privatized a significant portion of the incarceration system to make profit on increasing rates of imprisonment. Indeed, the dynamics of privatization shrank the public domain on all fronts. Even though the IFI served the interests of the North Atlantic nations, these agreements now have little ability to mitigate the economic and political will of the most powerful corporations whose operating budgets exceed the GDP of most nations on earth.

In the last 40 years, liberal democracies around the world have been rushing to divest themselves of any answerability to basic human needs such as health care, child care, elderly care, community care, immigrant care, racial care, gender care, debt care, housing care, prison care, environmental care and education care. Governments withdraw from these public functions for social reproduction and human resources under the private market rationales for more austerity, reduced taxes for the wealthiest, and more sacrifices for increased military protection from terror. As Fraser explains, “The result, amid rising inequality,” is the regime of “financialized capitalism” based on “a dualized organization of social reproduction, commodified for those who can pay for it, privatized for those who cannot—all glossed by the even more modern ideal of the ‘two-earner family’” (Fraser 2016, p. 104). Very little is being offered to replace those resources for positive forms of necessary social reproduction. Somehow this unsustainable cycle of desperation calls for more sacrifice by those citizens with the least resources. This is not the version of the good life any of us really wants.

Within this recent phase of the crisis of care, the general public (including many of us in higher education) have been sold an illusory bill of goods (as we always have been under the capitalist agenda) that has taken a specific form in the United States. The most pernicious myth is that you can make higher education more efficient without damaging the educational core. By ignoring the educational dimension of social reproduction, the economic elite have hitched our wagon to the horses of the privatized market economy so as to destroy public educational quality under the ostensible goal of educational efficiency. And with devastating effects.

Before we get to the details, let me review two underlying premises of the educational core that we can all basically agree upon: first, to maintain quality education so that students can learn well, they inevitably have to “read, write, and study—all with a professor!” (Newfield 2016, p. 267). Second, we also know what it takes to have this kind of educational quality: you need small classes where there is considerable peer interaction as well as plenty of time for feedback, discussion, and individualized engagement with the teacher. We actually have numerous over-lapping names for this kind of quality education, depending on the specific discipline: interactive learning, depth learning, informed learning, transformational learning, mastery learning, creativity learning, problem-posing

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education, critical thinking, critical pedagogy, etc. We also know that these prized educational qualities have been developed primarily in the liberal arts curriculum (broadly speaking, the arts, humanities, social sciences, natural sciences, and mathematics) in contrast to the more strictly vocational and job-training fields. And without question, we provide this quality education, but to an ever-shrinking percentage of our population. If you are lucky enough to come from the 1%, we provide all the positive advantages your affluence can afford when you attend a small, elite liberal arts college (where student faculty ratios average 10:1), or one of the “extended Ivies” (the Ivies plus the other elite private universities such as Stanford, Johns Hopkins, etc.). In those private colleges and universities, you enjoy exactly those small classes, lots of reading and writing, lots of peer and teacher interaction (for example, the student teacher ratio in the Stanford “entrepreneurial program” that gets rave reviews is 2:1). As all the evidence demonstrates, your level of attainment, academically and post-baccalaureate, is significantly improved. In short, we provide superb educational quality to a small percentage of the wealthiest families in the U.S. (the family income of 50% of those students attending an elite private college or university is greater than $300,000). The negative social reproduction of these hierarchies will always be born out under the principles of capitalist expansion, so we have to address these basic injustices at the systemic level. The rise of various world-wide movements of resistance testifies to the need for such deep levels of social transformation (see Butler 2015).

Under the current capitalist agenda, we have completely abandoned any hope of trying to provide such quality for the 80% of students in the U.S. who attend public universities. The erosion of support for public education has taken place relatively slowly, over, say, the last forty years in this most recent phase of the crisis of care, so to some extent it is easy to miss the long-term effects that year by year belt-tightening have had on what we do. But the result of this forty-year defunding has all the signs of low quality, cheap teaching: large classes, restricted access via increasing tuition, more reliance on student loans than income-based grants, less need-based financial aid, underpaid and over-worked faculty, and the erosion of academic freedom by converting university faculty into a majority of non-tenure-track, adjunct instructors. This is the perfect model for producing more social inequality and less educational quality. But, to the surprise of many, the reality is that the defunding policy has little or nothing to do with producing efficiency despite all the management and legislative claims that turning sloppy educational arenas into tidy business enterprises is the noble goal. Many of our political leaders have abandoned higher education as a public good with wide-ranging, direct and indirect, social (as well as private) benefits, including economic ones, so it is in nearly everyone’s public interest to resist this abandonment of fundamental human rights for higher education.

The ruling class explanation for how and why this has (or could have) happened is that we didn’t really have a choice: it’s the economy, stupid. The problem is that we spend too much on public higher education, and the solution is to reduce funding and enforce more efficiency. But this commonly shared perspective is simply wrong, even in the economic terms in which it is expressed. Contrary to that common administrative and legislative refrain, Christopher Newfield demonstrates that the situation is exactly the reverse: privatization is the problem, not the solution. “The fundamental driver of college costs is the market competition that typifies private industry. Turning universities into private businesses is not the cure for college costs problems, but rather its cause” (Newfield 2016, p. 26). As Newfield elaborates, “public universities are routinely derided as intrinsically extravagant and inefficient without the logic or evidence to support such an accusation” (Newfield 2016, p. 144). And, in fact, “Public cuts have not only reduced revenues; they have increased costs and specifically hiked the costs of entrepreneurial competition” (Newfield 2016, p. 147). Not only has privatization increased costs, it has also dramatically “impaired students’ learning” (Newfield 2016, p. 4). Newfield offers a fine description of what he sees as the eight stages in this “devolutionary cycle.” What also becomes clear is that none of the ruling elites will likely accept these realities as it remains in their interest to keep the truth concealed, and, as we will see, in many instances they have deliberately worked to keep some of these basic insights out of the main-stream media.
Before we turn to the more strictly economic arguments, we should begin with the ethical and ideological groundwork. Even liberal democrats have mostly jumped on the austerity bandwagon by viewing higher education as a private good based on individual competition for scarce rewards rather than primarily as a public good for improving both private and social life for all. The modus operandi of the neoliberal era, the fundamental shift from public to private funding, did not actually reflect the general public’s will. It is a transformation orchestrated by elite private funding, control of the media, and right-wing control of legislative bodies (see (Mayer 2016)). The shift began in the late 1970s as part of the recent phase of the crisis of care, accelerated under Ronald Reagan, Bill Clinton, and George W. Bush; was adopted by Barack Obama; and now serves as the privatization sine qua non of Donald Trump. But here’s the bottom line: “The voting public didn’t anticipate these changes. Nor did they go through a philosophical conversion to define higher education as a private good. Privatization came from senior politicians and their business allies, not from the general public” (Newfield 2016, p. 56). The reality is that, as Toby Miller points out, we have a much broader segment of the public willing to endorse some key features of a more progressive education. He cites a 2011 poll indicating “that while Congress favors cutting public expenditure on higher education by 26 percent and the White House seeks to increase it by 9 percent, the general public wants to double it, along with massive cuts to the Pentagon budget” (Miller 2012, p. 121). Those figures suggest much more support for a public commons than we might otherwise imagine. Paul Pierson and Jacob S. Hacker provide further evidence that even back in 2001, in an internal (and thus private) Treasury Department memo during the first year of George W. Bush’s administration, the officials writing the memo understood these realities quite well, and the blunt warning was clear: “the public prefers spending on things like health care and education over cutting taxes” (Quoted in (Newfield 2016, p. 57)). The point of the memo was to conceal this reality from the public by making sure that no such question was posed in the national media where, instead, the question always to be posed was: “Do you want a tax cut?” (Newfield 2016, p. 57). Of course, most everyone said yes to that simple question. “All this meant that the GOP needed to keep control of the conversation, making sure that tax cuts were not put in competition with other possible courses of action” (Newfield 2016, p. 57).

The tax cuts were, therefore, supposed to benefit all, at least in the media-generated version of the trickle-down economy. But the reality was otherwise: by concealing the social impact of the tax cuts, it became easier “to redistribute wealth and income to the top of the economic food chain” (Newfield 2016, p. 57). Under the auspices of this “wealthy and successful illusion machine” (Newfield 2016, p. 58), numerous institutional and policy mechanisms were put in place to facilitate this process of converting public goods and resources into private economic gain. For instance, by privatizing Sallie Mae and ending their federal charter in 2004, banks, rather than the government (or the tax-payers), could profit from the rush for student loans. Now operated under the private Corporation, Navient, this business now owns and manages more than $13 billion dollars of student loan. Or, to use another example, when the government facilitated the process by which private for-profit universities with “the nation’s highest dropout rates and the lowest graduation rates” (Newfield 2016, p. 60) could access guaranteed loan money as well as Pell Grant funding from the federal government, it was easy to transfer such public resources to private educational corporations even though such for-profits put only 10% of their gross revenues into per-student academic costs (the rate is at least three times greater in public universities).

Given this powerful project of converting higher education’s public good into a private market commodity, we now have to examine some of the key economic rationales justifying these changes. The goal will be to contrast the myths with the realities. But here is the fundamental caveat: the ruling classes deeply prefer the myths, so our critical responsibility as educators is to resist the “post-truth” era and reveal the economic and educational realities that the public deserves to know. I want to begin by exposing the most common myth sustaining the privatization movement: the private market benefit of increased life-time earnings is the best and most accurate measure of educational value. Nothing could be further from the truth, although in its own narrow terms, it is certainly a well-documented fact
that a college degree dramatically increases one’s lifetime earnings. As Walter McMahon explains, all the evidence confirms that while “the real income of college graduates has risen 57% since 1980” (ix), for the 64% of Americans who have not gone to college, actual income has not risen at all in the same period (elite CEO and administrative salaries have increased by a factor of about 4000%). Over a lifetime, college graduates can expect to earn 84% more than someone with only a high school diploma. So it is indeed true that in terms of simple, private market benefits, college pays. And everyone knows this because it is broadcast everywhere all the time: about 80% of Americans think “a college education is essential in today’s world” (McGee 2015, p. 42) even if they can’t afford it. No argument there.

The problem is that we have reduced our calculations of educational value exclusively to the direct private market value of the degree, as experienced by the college graduate. That is the capitalist plan: pay our own way and get what you earned (in principle). But in practice, this monovalent focus on private market value (to the exclusion of indirect and social benefits) forecloses, among many things, the ability to document the remarkable levels of market failure that have affected higher education. The most dramatic and thorough critique of this reductive private market rationale has been carried out by Walter W. McMahon in his 2009 book, *Higher learning, Greater Good: The Private and Social Benefits of Higher Education* (McMahon 2009). To cut to the chase, McMahon identifies not one marker of education value (direct, private market profit), but six categories. Besides the identified market gains, he also includes in his economic analysis the non-market but nevertheless clearly economic benefits; the public/social as well as private/individual benefits; and the direct (short-term) vs. the indirect (mostly long-term) financial gains. The result of his analysis is a much more complete accounting for the full range of educational value.

McMahon’s basic approach is to adapt Gary Becker’s widely circulated notion of “human capital” to the analysis of higher education, but McMahon opens a much wider analysis of some very real but non-market and indirect economic factors. In his famous 1964 book, *Human Capital: A Theoretical and Empirical Analysis with Special Reference to Education* (Becker 1993), Becker used complex mathematical formulae (they are almost completely incomprehensible to me, so it takes an experienced economist to make sense of them) to quantify human capital by contrasting the economic value added to those who had attended various levels of education. Although, as might be expected, I disagree with many of Becker’s more conservative economic beliefs in de-regulated market economies as the best way to fulfill the promises of “human capital,” his influential book did indeed open the door for economists to include in their otherwise highly econometric analyses various non-market and indirect sources of value. McMahon further develops Becker’s way of defining “human capital” as a concept for registering the economic significance of direct and indirect human skills and resources, and such indirect human benefits from higher education include, among many others, better health, greater longevity, and more civic participation. These are all long-term benefits; they accrue to broad ranges of the population so they are not necessarily confined to the elite (as they are now under the capitalist world-system that focuses on short-term profit-loss ratios). As forms of monetary as well as non-monetary benefits, these kinds of externalities can be both positive and negative, depending on your subject position within the nation. For most of the public, they are positive externalities calling for deep governmental funding as a human right; for private owners of capital they are negative externalities calling for higher and more progressive tax systems, and thus a drain on their short-term profit margin.

The most striking thing about McMahon’s statistical evidence is that he devised ingenious ways of tabulating both market (direct and indirect) and nonmarket (direct and non-direct) monetary values for social as well as private economic benefits for most citizens. Now, I am very wary of the educationally reductive econometric measures that have so dominated the standardization, outcomes assessment, and cost-efficiency movements (so typical of neoliberal capitalism), so I tend to share Stefan Collini’s wise admonition that “Not everything that counts can be counted” (Collini 2012, p. 120), a good way of
encapsulating the reservations many of us humanists have about bean counting. It may also seem that if we just realize the great social benefits of a strong system of higher education, capitalism can become friendly and green enough to sustain us all. But that’s not the case, partly because the right-wing knows that one of the key products of higher education is that it produces dissent in the form of uncomfortable truths, such as the reality of climate change. They have vested interests in not seeing these benefits realized. McMahon is himself more of a liberal apologist, so I differ from some of his encouraging hopes that the ruling class should just accept these truths. But McMahon does understand the conceptual difficulties of measurement, so he admits that “complete precision is impossible.” Given these limitations, he is not deterred to make the effort because of his belief that “a reasonable judgment can be made” (McMahon 2009, p. 243). We need such judgments because for the foreseeable future we will be living in a money-based economy, and there will always be some form of monetary value for non-market goods under any economic mode of production, whether capitalist, socialist, or communist. Markets and money don’t just disappear when you move to a new mode of production, but there is certainly no such thing as a “free market” for all citizens. Genuine funding for the education crisis will call for some form of democratic socialism, at the least, but we will not be able to ameliorate the crisis of care under some hypothetically friendly version of capitalism.

Even after acknowledging the statistical limitations, McMahon’s results are quite astonishing: the social benefits and non-market values far exceed the more easily tabulated direct private market values. He begins by confirming what everyone knows: there are considerable private market benefits to a college education, and he calculates that, in 2007 dollars, they amount to an average per year benefit for the graduates of $31,174. He then calculates the private nonmarket benefits, and he arrives at a value of $38,080 per year—greater than the typical private market values. Indeed, there are economic benefits for individuals even though they are not directly related to the market. Finally, the direct and indirect social benefits amount to $31,180 per year (McMahon 2009, p. 244). In short, this means that the combined private non-market and social benefits (totaling $69,260) are more than twice the economic value associated with direct, private market gain. Many of the social benefits are what McMahon himself acknowledges as forms of externalities, “the benefits to others in the society and in future generations” (McMahon 2009, p. 52). If this data is even reasonably accurate, it should serve any social movements concerned with altering the devastating forms of social hierarchies that have, in fact, been fueled by the defunding of public higher education under the current system.

McMahon begins to count a huge range of benefits that are not often counted, and he is certainly correct that if we truly consider the value of “human capital” it will inevitably mean accounting for more than just what shows up in the weekly paycheck. For example, under private non-market benefits he considers such things as better health, “greater longevity, better-educated and healthier children, smaller families with less poverty, increased probability of having a college-educated spouse, and greater happiness” (McMahon 2009, p. 119). The list goes on and includes more commitment to life-long learning, less smoking and drug abuse, less obesity, better working conditions, lower fertility rates and lower family size, improved efficiency in household management, non-monetary labor market benefits, better informed consumption and investment choices, higher rates of women working, lower unemployment, lower divorce rates, and reduced inequality. These are among the private non-market benefits (again, calculated at $38,080 per year) that the private ruling classes would simply wish to conceal because they would materialize as short-term economic costs they do not want to be accountable for in any sustained way.

But McMahon’s Chapter 5, “Social Benefits of Higher Education,” (McMahon 2009) is even longer than the previous chapter on private non-market values. These are the truly social benefits that most citizens who follow the dominant capitalist logic either take for granted or ignore when calculating economic and non-economic consequences. Higher education contributes in vital and

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5 See also Joseph Stiglitz’s, et. al., *Mismeasuring Our Lives.* (Stiglitz et al. 2010)
wide-ranging ways to everything from national income growth to civic participation in democracy (including increased voter participation); to greater racial, ethnic, and gender tolerance of differences; to increased support for free speech; to greater concern for human rights; to the necessity of a “free, effective, and independent media symbolized by freedom of the press” (McMahon 2009, p. 208); to greater political stability and security; to reduced income inequality; to lower welfare, medical, and prison costs for states, including lower crime rates; to increased dissemination of research and development knowledge; to increased concern for the environment, specifically less water and air pollution, improved sanitary systems, renewable energy, wildlife protection, and awareness of global warming; to increased donations to both public and private organizations; to decreased authoritarianism, totalitarianism, and militarism.

Basically, these are all democratic socialist values, but they count for little under the capitalist world-system. As McMahon documents, “All of the over one hundred countries with per capita incomes below $600 have authoritarian regimes made possible by illiteracy” (McMahon 2009, p. 204). All in all, “these social benefits and their value are poorly understood by the public” (McMahon 2009, p. 255) who have been led to believe by the ruling classes that higher education is an inefficient and wasteful indulgence in the way it operates. In contrast, these wide-ranging, but often indirect and long-term social benefits “reveal that higher education investment contributes to per capita growth in a highly significant way” (McMahon 2009, p. 226), far beyond the narrowly defined private market value. Clearly, the social benefits overlap with private benefits (say, greater democratic participation benefits both the society and the individual), and McMahon accounts for these overlaps in his calculations. But his main point is clear: if we are to truly assess the educational function of creating more possibilities for human flourishing, all of these social benefits that lower crime rates, increase opportunity and decrease inequality must be taken into account. Yet virtually all the privatization rationales for defunding higher education in the last forty years have simply ignored these benefits. As Newfield argues, higher education is a “dual good or a double good … It has obvious private good features like increasing a graduate’s personal income, and it has an equally obvious public good status that means market governance will be inefficient” (McMahon 2009, p. 65). Unfortunately, this “obvious public good” seems all too often to be unobvious, or at least the price of privatization was concealed from the education debates. When the public is informed about these many values, there is wide-spread support for public funding of higher education, including the humanities, not just the STEM fields.

Besides this broad-ranging econometric analysis of the private and social benefits, there are also several related myths that have contributed to the decline of public higher education with especially severe consequences for the humanities. Newfield provides detailed accounts contrasting the myths with the realities, and I just want to highlight four of them in what follows: myths about tuition increases; myths about the inability to fund high quality higher education; myths about the economic revenues from sponsored research in the STEM fields versus the human sciences; and myths about how technology will serve to lower costs. Again, the capitalist agenda fuels the myths and denies the realities, and it is education itself that often serves to de-mythologize the illusions.

First, everyone knows that college tuitions have been increasing rapidly, and the common explanation is that state budget cuts inevitably lead to those increases. But the reality is that cause and effect are exactly the reverse: legislators institute budget cuts for higher education because they know that universities can make up the short-falls by increasing tuition, thereby externalizing for corporations the cost now borne by citizens. In times of austerity, higher education is a weak link in the budget battles at the state level simply because of the ease of shifting the funding to private sources, the students and their families, who must directly pay more even as they get less. Other domains, such as, for example, highway funds, have no such handy private resource to bear the burden of decreased state revenues. Consequently, legislators justify budget cuts because universities can increase tuition to cover costs. Very inefficient forms of inequality follow directly from the tuition increases: low-income students now find it difficult or even impossible to attend a university. As Newfield
documents, “Nationally, state funding per student has declined about 25 percent in real dollars over twenty-five years—while Gross Domestic Product per capita was increasing by two-thirds. This is a disgraceful disinvestment” (Newfield 2016, p. 137). The only solution is to reverse the pressure to privatize and re-fund our public domains—for the public good and benefit of all. In the long term, that is the most cost-effective plan of action, even though few committed capitalists wish to accept the necessarily greater levels of public funding because of their focus on short-term profit ratios.

But that raises the next objection: as the “realists” declaim, increasing funding is great in an ideal world, but in the real world, high quality education is simply too costly, especially for corporate interests. The only real problem is that the claim is unreal: it is a myth based on a very narrow definition of cost-benefits. As we have seen, there are multiple values of high quality education, and as Newfield argues (following McMahon), “Total educational value is a function of direct, indirect, market, nonmarket, private, and social benefits, all overlapping and working together” (Newfield 2016, p. 71). When all of these domains that affect the total “return on investment” (ROI, to use the economists’ moniker) are accounted for, public spending on higher education more than repays itself; or it would under a democratic socialism that allowed for these social benefits to figure in the educational decision-making. The notion that states are broke and have no alternative is simply wrong. The actual effect on most taxpayers of an annual tax increase would be in most instances negligible. For instance, Newfield reports that “the additional cost to the median taxpayer for a free UC would be twenty-two dollars per year” (Newfield 2016, p. 321). Now that calculation is based on “free” tuition, and so graduated tuition plans and progressive tax programs would reduce the tuition costs for low-income students to zero and reduce the loan and private burden for middle class students dramatically. This is, albeit, one example, but the calculations are relatively similar for different states, even though we have been hoodwinked to think that if those making over $300,000 had to pay an additional $1,500 per year in taxes it would be an outrage. The outrage is that those in the 1% cry wolf when these (for them) trivial increases are broached.

Another deceptive rationale is that sponsored research in the STEM fields brings in huge revenues for universities, whereas the lack of such sponsorships from both private and public sources in the humanities means the latter are cost-ineffective and therefore can, and should, be defunded. This rationale is especially useful to those, like Lewis Powell, who wish to silence the dissent from the ruling doxa about individual freedom for individuals and free markets when corporations depend upon the commercialization of university research. To most everyone’s surprise, Newfield’s research has conclusively revealed that the reality is exactly the reverse. In his earlier book, Unmaking the Public University, he documented that in the California university system, the indirect research costs (IRC) of sponsored research in the sciences and engineering were much greater than acknowledged, to the extent that the California universities actually lost money even though they received millions of dollars in corporate and federal research funding—a fact that they routinely bragged about in the public media. In The Great Mistake (Newfield 2016), Newfield further documents the fact that across the nation, the average loss for universities due to sponsored research is on the order of 20% of the total revenue received. In short, the university must make up this loss through taxpayer funding or tuition revenue from the other fields (i.e., with no cost to corporations). To use one of Newfield’s dramatic examples, in one year, the University of California’s “gross research income of $3.5 billion translated into a net research loss of $720 million” (Newfield 2016, p. 89). So who subsidizes these losses? Primarily taxpayer funding and student tuition. “What this means is that university research is subsidized by state taxpayers and by undergraduate students. Does student tuition subsidize research? The answer is yes, it does” (Newfield 2016, p. 94). And what fields does that revenue come from? Primarily from the high-FTE (Full-Time Equivalency) fields in the humanities and social sciences. In one remarkable graph (Newfield 2016, p. 99), Newfield charts the balance of revenues and expenses by college and division, showing that the arts and sciences, public programs, teachers colleges, social sciences, and humanities—all these fields balance out the losses from the STEM fields. Using Arizona SU as an example: “social sciences, business, the teachers college, and the
humanities, added together, run a profit of about the same $40 million that engineering and the sciences lose. The normal process of balancing the campus books involves moving money from education, humanities, business, and the social sciences, which earn ‘profits,’ to science and engineering, which run losses” (Newfield 2016, p. 98). In short, concealment of these stark economic realities “has damaged university budget policy, confused policy makers about expenses, hurt the human sciences (arts, humanities, and social sciences), and weakened public support. These are privatization’s material costs” (Newfield 2016, p. 100). But the corporations win that privatization battle.

For those of us wallowing in English departments or other de-funded branches of the humanities now consisting primarily of adjunct faculty, the following example illuminates the contradictions: Jane Wellman founded the Delta Cost Project, and in 2009 she published an important report: Trends in College Spending. She confirmed Newfield’s research by also documenting that less expensive programs subsidize expensive ones. Wellman was subsequently quoted in the New York Times:

She flatly contradicted the image of the English department that runs deficits: “An English student . . . is generally a profit center. ‘They’re paying for the chemistry major and the music major and faculty research,’ Ms. Wellman said. ‘They don’t want to talk about it in institutions because the English department gets mad. The little ugly facts about cross subsidies are inflammatory, so they get papered over.’” (Newfield 2016, p. 101).

The point is that “a large humanities department like English produces a substantial net profit, whereas units such as engineering and agriculture run at a loss” (quoted in (Newfield 2016, p. 103)). Even though the humanities fields “address all the major questions of human society and culture” (often producing a lot of dissent from the reigning doxa), and they still “grant 10 percent of bachelor’s degrees,” they receive only “about 1 percent of national research funding” (Newfield 2016, p. 104).

Finally, the techno-dreamers have too often sold us a false bill of goods: technology will improve education and lower costs. The latter part of that statement is completely false: technology costs a lot of money. Even so, we can all agree that it certainly can improve education in innumerable ways from the speed of information transfer, to online interactive networks, to incredibly rich multi-media experiences, to endless searchable archives and instant access, and a host of other wonderful benefits. All these are worth investing in because they improve the quality of instruction and research—but of course these techno wonders cost more. Those increased costs should be rightfully seen as a sign of our devotion to a “rising standard of care” (Newfield 2016, p. 176) for students, teachers, and researchers—in short, an investment in improved educational quality at the core of both teaching and research.

On the other hand, when technology is primarily viewed as an information processing system for technology transfer, such reductive uses of electronic data and teaching platforms may produce profit for the corporations that sell them but they can dramatically reduce the quality of instruction. This is a huge issue, often provoking a hornet’s nest of competing arguments and evidence about the virtues of “digital humanities,” all of which are far beyond the scope of this essay. But the economic and educational dangers of the trust too often extended to private, for-profit, online universities, and the collapse of the brief 2–3 year euphoria over the transformative power of MOOCs (Massive Open Online Courses), have come home to roost. The online, for-profit universities have deeply taken and exploited tax-payer money to offer lower-quality education to vulnerable populations. And, by all accounts, the MOOC dream (alive for a brief two years between 2011–2013) turned into a complete flop. As Newfield admits: the “dream is easy to state: the huge majority of society getting the best university education, and getting it for free. Since I believe that only mass creativity can save the planet, I embrace any and all tools that will liberate humanity’s brilliance on a universal scale” (Newfield 2016, p. 225).

Towards that end, some form of social democracy might be a step in the right direction, so these arguments can only aid some deep-level transformations in the political economy. But the worthy dream was only a dream, at best. Newfield summarizes the evidence for the MOOC failure in his Chapter 6, “Private Vendors Leverage Public Funds: The Case of the MOOCs”, and the basic claim is that the MOOC invention “was the most pretentious corporate intervention into higher education in
recent history” (Newfield 2016, p. 227). The corporate dream of “open innovation” turned out to be a nightmare for the opposite: “enclosing the commons” (Newfield 2016, p. 238).6

Even though it has been deeply damaged by the privatization movement, higher education remains one of the few remaining institutions for housing some version of a public commons. And that is my main point: virtually every bit of the information we have about inequality or climate change, (two of the biggest problems confronting human life on this planet) reflects our dependence on others (often working in universities) for reliable knowledge about the world where reciprocity, shared understandings, and collective social life produce an ongoing and always interactive knowledge commons. And it is not just the natural sciences that contribute to human well-being. The humanities and social sciences are the very fields devoted to the educational core of high quality teaching and research, rigorous academic standards and critical thinking, and cooperative investigations of our most urgent social and political problems. These are public goods “whose benefit continues to increase as it approaches universal access” (Newfield 2016, p. 312). The absence of these benefits leads to tyranny and authoritarianism because the latter suppress the freedoms required for all human beings to enjoy the resources of health, longevity, education and the possibilities for human flourishing. When “the citizens of 94 countries suffer under non-democratic regimes” (Kasparov and Halvorssen 2017), this means that nearly four billion people, more than half the world’s population, have virtually no rights to alter their own terrible living standards. To combat these obviously unjust circumstances, we need a strong and vibrant public sphere, yet those spaces are going extinct about as fast as the earth’s flora and fauna. As Klein puts it, “we are all in the sacrifice zone now” (Klein 2015, p. 315). Defund life-sustaining forms of social reproduction and human resources and you defund the truth about climate change, higher education, and global authoritarianism: fake news in a “post-truth” culture based on misinformation abounds. That’s a cultural, political, and economic situation we all have to confront with the most persuasive rhetoric we can muster if we hope to survive the increase of authoritarian governments since 2000.7 The familiar refrain that because we are in perpetual economic crisis there is no money for these things is simply false, and it is a logic that has never affected the funding for any bank bailout plan nor any global military venture we have deemed necessary.

The possibilities for human flourishing are always potentialities for the future, never fully actualized in the present or the past, even though such potentialities must to some degree be experienced within the material realities of contemporary life. Our most foundational terms express the hope for many potential visions of a better future: democracy, freedom, emancipation, justice, liberty—these contested terms all rest on different premises, for sure, but they all try to draw us towards a future that is so imperfectly rendered in the present. Nothing we can point to in our actual worlds, past or present, can fully exemplify or fulfill our wishes for a better world: there has never been in any of our recorded history a material manifestation of our limitless desires. As Nancy Fraser puts it, “We know it means something deeper and more robust and egalitarian than social democracy” but we also have to “frankly admit that we don’t know exactly what that means … we have a hard time defining the positive program” (Leonard and Fraser 2016). The humanities—works of art, literature, history, philosophy, and theory—sometimes offer us imaginatively vivid renderings of new possibilities (not just utopian “nowheres”) that test any efforts at “defining a positive program.” No matter how different from the present our unimaginable future contexts may be, we can’t simply avoid asking these foundational questions as they enter the political imaginary.

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6 The extended evidence for the failure of the MOOC intervention cited by Newfield certainly makes books like the Chronicle of Higher Education editor-at-large, Jeffrey J. Selingo’s College (Un)Bound (Selingo 2013) and New America Foundation’s Kevin Carey’s The End of College (Carey 2015) appear only slight less than ludicrous. At least Selingo was writing before 2013 when the MOOC dream was at its height and the evidence of its failure was still to come in the next few years.

7 As David Remnick argues: “During the course of thirty years [following World War II], the number of democracies in the world expanded from thirty to roughly a hundred. But, since 2000, nation-states of major consequence—Russia, Hungary, Thailand, [Egypt], and the Philippines among them—have gone in the opposite, authoritarian direction” (Remnick 2017, p. 20).
But we have to be careful as well as caring. Mutuality and reciprocity do not emerge from romantic ideals that neglect human action in the material world. There is no social justice without reparations for the material injustices of the past, from which all privileged citizens share some obligations. Belief in the commons must engage an active resistance to the staggering socio-economic hierarchies literally built into the landscape. History has, indeed, produced such powerful geographical inequalities as that between the North and the South, or, between the impoverished inner cities and affluent suburbs. So there’s nothing “common” about the racialized geographies of contemporary social life, including the increasing hierarchies built into our rapidly privatizing public systems of higher education. Any theory about reciprocity and mutuality has to include tangible reparations for the injustices of the past. Our wish lists for the future cannot just be idle dreams about a common social life that has never existed. The deep capitalist socio-economic hierarchies must be addressed at all levels, including the traditions of resistance in the humanities and social sciences that call for fundamental transformations in the political economy.

Not caring enough about the quality of higher education leads directly to escalating inequality and devastating forms of climate change. Despite the remarkable socio-economic divergences, every human being is vulnerable to these vast social forces. Judith Butler puts it quite well: “Our shared exposure to precarity is but one ground of our potential equality and our reciprocal obligations to produce together conditions of livable life” (Butler 2015, p. 218). Any effort to confront these challenges “will be fruitless unless it is understood as part of a much broader battle of world-views, a process of rebuilding and reinventing the very idea of the collective, the communal, the commons, the civil, and the civic after so many decades of attack and neglect” (Klein 2015, p. 460). Higher education and the broad investigations of the humanities and social sciences are not superfluous add-ons, disposable in hard times, but vital core resources for imaginatively addressing these widely shared human concerns. The privatization movement defunding the educational core has materialized through a myriad of uninformed and unwise policy decisions, which means that these policies can be reversed. We must rebuild the crucial domains of social reproduction, a task commonly shared by the many movements struggling for more equality. Universal access through higher education to the remarkable historical resources produced by the traditions in the humanities is one great source of hope that we can, indeed, work for a sustainable future for all human beings. The time has come, and we don’t have a lot of time. Perhaps we can imagine ways to untangle our investments in the language of crisis. The educational core of the liberal arts—the arts, humanities, social sciences, natural sciences, and mathematics—remain indispensable to that project.

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See especially Matthew Desmond’s landmark book, Evicted: Poverty and Profit in the American City (Desmond 2016)

See, for instance, Judith Butler’s recent book, Notes Toward a Performative Theory of Assembly (Butler 2015), where she links her profound commitment to social justice with her performative theory of public assembly. In the contested relations between humanistic inquiry and political action, these assemblies often embody the sites where theory and practice meet.


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