

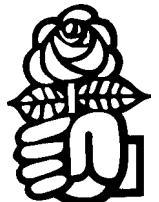


DEMOCRATIC SOCIALIST PERSPECTIVES

# Higher Education and Capitalism

*College, in the popular imagination, is still seen as both a time of freedom and experimentation, and as the gateway to future economic opportunity. Yet young people today are increasingly working harder and taking on debt just to get a degree whose value is increasingly open to question. At the same time, universities are increasingly being subordinated to the needs of the corporate world. This following brief overview aims to show how this crisis has developed, and how the ideal of universal higher education has come into conflict with the political priorities of ultra-free-market capitalist ideology which currently dominates American politics.*

*The student movement in the United States is weak compared to most other countries. Powerful student unions and progressive governments elsewhere have advanced higher education as a universal right—often provided to students free of charge—and not simply as a privilege for those who can afford it. Such achievements, typically made possible in societies where there is a stronger socialist presence, are important to keep in mind as we work to defend student interests in the United States and around the world. We suggest that in addition to being an important part of fighting for social justice and equality in the present day, a robust, high-quality, accessible public education system can be part of the fight for a world which is not based on exploitation and economic inequality—a world beyond capitalism.*



## **Higher Ed. in America: A Capitalist Success Story?**

Today, more Americans go to college than at any time in our history. Access to higher education, while deficient in many ways, is still unprecedented in its scope. Some would conclude from this that capitalism and the free market have succeeded in bringing about high-quality, accessible education, and that a socialist critique of education is therefore unnecessary. Yet the development of post-secondary education has mostly been in spite of, not because of, unfettered capitalism. It was government intervention, not private capitalists, that made universal higher education a real possibility.

The origins of public higher education in America go back to 1862, when the Morrill Act gave federal land to the states so they could establish public universities—the so-called “land grant universities”. Yet up until World War II, college was still mostly the privilege of rich elites. It was the war and its aftermath that brought us a major social program that would open the gate of higher education to working people: the GI Bill.

The GI bill provides subsidies to military veterans so that they can attend college. Since it was passed, billions of dollars have been spent on the GI Bill program, and millions of veterans have used it for college and job training. The GI Bill, as part of a general increase in federal and state funding for higher education, caused an explosion in the college population: from well under 2 million students in 1939, to over 15 million in 1999. (In that same period, the population less than doubled.)

The achievements of American higher education over the past half-century should not be downplayed. Unfortunately, education has come under attack from those who want to undo what progress has been made, and subordinate education to the market.

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## **The Crisis of Higher Education**

More and more Americans are going to college—but the costs of that education are rising, while the returns fall. From 1973 to 2001, the cost of college rose every year, at a rate 2.3% faster than the rate of inflation. While most students still do not pay the full cost of college, the source of aid funding has changed—fewer students receive grants, while more are taking out loans that must be paid back. From 1992 to 2002, the percentage of college financial aid which took the form of loans rose from 45% to 54%. As a result, average student indebtedness rose from \$8,000 to \$18,000.

Even as students are forced to pay more of the cost of their education, the value of a degree is being called into question. Increasingly, college graduates are forced to take jobs that do not really

require a college education. In 1976, for example, 24% of recent college graduates said that they were holding jobs that did not require a college education; that number had risen to 44% by 1996.

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It is true that college graduates still make more money than their non-degree-holding counterparts. But it seems that for many employers, a college education is simply a way of weeding out applicants—the degree does not indicate that a person has particular skills, but merely that they have proved their ability to obey authority and turn in work on a schedule. Those who have submitted to the discipline of college are therefore better suited to the authoritarian regime of the private workplace.

For people of color and women, the degradation of post-secondary education bites particularly hard. Since racial minorities and women tend to earn less than white men for the same work, servicing mounting debt loads is increasingly difficult. Access is a problem too. For reasons of both discrimination and economic inequality, the percentage of blacks and latinos who have a college education still lags well behind the rates for whites—and the disparity is greater at the more prestigious universities. And while women actually attend college at a higher rate than men, they are disproportionately concentrated in humanities and social science fields which are less likely to lead to a high-paying career.

It isn’t just students who are feeling the pinch—for teachers as well, the university is becoming a less welcoming place. The tenure system, which was supposed to give job security to professors and secure their intellectual freedom, is gradually eroding. According to the American Association of University professors, half of college-level appointments are now for non-tenure-track positions. In addition, graduate students are being forced to teach more and more classes for minimal wages—yet under George W. Bush, the National Labor Relations Board has ruled that graduate students cannot form unions. It is becoming increasingly clear that teachers, along with the other employees of universities, are workers whose struggles share much in common with workers in other industries.

Colleges and universities may be getting worse for students, teachers, and staff, but they are getting better for one group: corporations. As federal research funding has fallen, private investment in universities has picked up the slack. This change was facilitated by a 1980 law, the University and Small Business Patent Procedures Act, commonly known as the Bayh-Dole Act. That law allowed universities to take discoveries that had occurred on their campuses, patent them, and license them to private companies. Universities thus became a publicly-subsidized source of ideas which private companies could then profit from. This prospect was so attractive that after Bayh-Dole was passed, private investment in university research jumped from \$236 million in 1980 to

\$2 billion in 1996.

The problem only promises to get worse. As federal funding for education has fallen, state government has continued to pour increasing amounts of money into higher education. But with recession and massive budget deficits at the federal level generating fiscal crisis in the states, education is on the chopping block. Without major changes, we can look forward to less financial aid, greater worker exploitation, and more corporate control of the university in the future.

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### **Education and Capitalism**

If higher education isn’t the gateway to middle-class prosperity we have been taught to expect, what is it good for? In modern, capitalist America, we can look at the purpose of education in two ways: what it does for business, and what it does for the rest of us. From the perspective of private business, colleges and universities provide two things: workers and product ideas. We have already noted that, aside from certain specialties such as engineering, college often doesn’t directly train people for job roles. But it does habituate them to the work discipline they will need in the working world. Moreover, the rising debt burden that students carry after graduation means that they may have to take corporate jobs for higher pay—even if they would rather take more fulfilling, lower paying work.

As noted above, the Bayh-Dole act allows businesses to acquire patents from universities, and profit from them. By investing in university research, private companies can take advantage of the existing university infrastructure and government subsidies, saving money on their own research and development departments. This is problematic in two ways. First, it means that useful inventions are produced privately in a way that is profitable, rather than publicly in the way that does the most good. This both deprives public universities of some of the revenue that such inventions could generate, and deprives poor people of many of their benefits—important medical treatments, for example, may be inaccessible to the poor if they are under the control of private patent holders. In addition to this, the permeation of public research by private capital means that research agendas may concentrate on producing things that are profitable, even if they are not useful. (Pharmaceutical companies, for example, focus much of their attention on finding patent-protected equivalents for generic drugs, rather than on discovering genuinely new medicines.)

For the non-rich, college serves one important purpose that is not frequently noted. Having millions of people in school shrinks the

labor force, reduces unemployment, and helps to alleviate the lack of decent jobs created by private capitalism. It is not coincidental that the GI Bill and the expansion of higher education came immediately after the depression. And it could be argued that it was the growth of higher education which helped absorb large numbers of returning World War II veterans who otherwise would have caused a new spike in unemployment—something that many were afraid of at the time.

The growth of student loans, however, means that students are increasingly being asked to fund their own withdrawal from the labor force. And more and more students have to work part- or full-time while they go to school. This is partly due to broad social trends that are not easily ameliorated by government policies. But a look at already-existing programs shows that there is much more that government could do. The Pell Grant program, for example, is a federal program that gives financial aid to students based on need—money which does not have to be repaid, as loans do. Yet funding for the Pell Grant program has stagnated while the cost of college has skyrocketed. In the context of a bloated military budget and tax cuts for the rich, the decline of the Pell Grant program must be seen as part of the general loss of power that working people have suffered over the past few decades. As part of a comprehensive progressive strategy, reinvigorating education funding is an important political issue. And given the beneficial effects of generalized college education for society at large, we might well ask whether it is time we start considering making college (or some form of post-secondary education) a universal right, as high school now is.

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## **“MORE STUDENTS HAVE TO WORK PART-OR FULL-TIME WHILE THEY GO TO SCHOOL.”**

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### **Education and Socialist Vision**

Although the educational system that exists today is shaped by the needs of a capitalist economy in many ways, it is simplistic and misleading to say that there is a capitalist type of education, and a socialist one. Perhaps it is better to say that while it was capitalism that gave rise to a situation where universal public general education became necessary, the ideal of education has implications that point beyond capitalism.

So what does it mean to speak of a socialist perspective on education, rather than simply a progressive or liberal one? Too often, public debate over education passes over a basic premise: that schools should primarily be designed to prepare people for work. The idea that education can provide people the intellectual tools to be involved and informed citizens—even citizens of a capitalist democracy—is being steadily undermined. And mainstream debate has largely abandoned the idea that democratic citizenship can reach into the world of work, that individuals and society as a whole can decide democratically how and what to produce. Rather than pretending that college will automatically train young people for good jobs, we should demand that government step in to

create good jobs when the private sector cannot—and that education can serve other purposes than mere job training.

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The Italian socialist Antonio Gramsci once noted that the strategy of the education minister in Mussolini's fascist Italy was to make education “instrumental”. Schools were divided into narrow vocational specialities, and the idea of a general-purpose education was abandoned. Gramsci saw that general education was not only a precondition of the liberal order that the fascists sought to undermine, but also part of the basis for socialism. For ordinary working people to participate in running society and the economy in a meaningful way, they need to have a big-picture understanding of the choices our society faces, transcending our narrow job expertise. And while modern America is certainly quite different from fascist Italy, we face some of the same problems Gramsci observed. Demobilization of mass movements, alienation from politics, and ignorance about fundamental questions of social policy: such contemporary problems lead in the direction of a society which is democratic in form, but authoritarian in content.

All of this is worth remembering when conservatives denounce ivory tower intellectuals and postmodern theorists. It is certainly true that some academics are out of touch with life outside of the university, and some theorists use jargon and complex theorizing in a way which is elitist and unhelpful. But that is not what really bothers conservatives—after all, no one complains that theoretical atomic physics is far removed from practical uses and laden with hard-to-understand jargon. What makes theorists and intellectuals dangerous to ideological capitalists is that their work does not serve the purpose of producing for profit—they represent, in some partial way, an ideal of human self-realization which is not subordinated to economic efficiency. When people are freed to think about things which are not directly “useful” in a business sense, they may start questioning racism, sexism, homophobia, and capitalism. And they may start asking questions about the general direction of society. It is that prospect which really terrifies the right.

The debate over what our schools should be is part of a larger debate about the kind of society we want to live in. Propagandists for capitalism will say that the “free” market forces us to live in a world where college is narrowly work focused and prohibitively expensive; where universities serve the interest of private profit rather than public good. But what has happened to education is not the product of impersonal, uncontrollable forces. An advanced system of public higher education was created in this country because a political decision was made to subsidize universities and

make them accessible to the working class. We have moved away from that ideal, not because it was a failure, but because there has been a political and ideological shift in this country away from the idea that education can serve a purpose other than to enhance the productivity of business—or to be a business in its own right. Even in its embattled state, education holds out the promise of an alternative to the cutthroat competition, authoritarian structure, and inhuman motivations of the corporate world. For that reason, alone, it is worth defending.

## **EDUCATION IS A RIGHT NOT A PRIVILEGE!**

# **YDS**

## **basic principles**

**We fight for a world without capitalism, a system which creates vast inequalities of wealth and power. Capitalism endangers our environment, undermines the ties which bind our communities, and promotes racial, sexual and gender oppression. In its place, we propose an economic, social and political system based on democracy and solidarity. We call this system democratic socialism.**

Our mission is to educate and organize students and young people, and to play a helpful and principled role in the movement for social justice. Within and through this struggle, we will articulate and defend the idea that true human liberation is impossible under capitalism. We fight for social change which extends democracy into all aspects of life—social, political and economic. This is the fight for democratic socialism.

Our vision of socialism is profoundly democratic, feminist and anti-racist. Our commitment to these principles guides us in our political work as well as our own structure and working methods. We believe that social change must come from below, not handed down from elites.

All young people who want to work for a better world are welcome in YDS.