Academic Capitalism and the Social Charter between the University and the Public

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The traditional purpose of higher education is to serve the public by creating knowledge for free exchange for the benefit of all members of a given society. With the dominance of the global knowledge based economy, academic capitalism is forcing the university to renegotiate its social contract with the public to allow the university to operate as a private good. The question for research lies in how the university will negotiate this change and if it will abandon the public willingly or forcibly.
Institutions of higher education in the United States face great challenges in the 21st century. The public institution is called to serve the public by educating its citizens for service and share new knowledge gained for the benefit of all, as well as assist the nation’s economy by producing an educated workforce and commodifiable knowledge. This dual role challenges the American public university of the past -- the university charged with educating future civic leaders and producing knowledge for the benefit of the public -- with a duty to preserve and support a capitalist market, a market that is globalized and dominating ideological norms. This new role of public universities to support the market is a challenge to the traditional social purpose of the university and thus forces a renegotiation of the social contract between the university and the public it serves. In this renegotiation not only does the social contract stand to suffer but what it means to be a public institution and who comprises the public that is served is also challenged. At this juncture, in a time when market ethos dominate what it means to be a public good, the question arises, can the traditional social contract of public service for the benefit of all be revived, or will the social contract succumb to neoliberal discourse and create a public institution that serves only the private interests of the populace?

The purpose of this paper is to discuss the role of neoliberal capitalism and the subsequent development and domination of academic capitalist efforts in the public university and the resulting impact on the social contract between the university and the public as well as what this means for higher education in the 21st century. To meet this goal, the impact of neoliberalism on higher education is defined and academic capitalism’s origins, impact, and future are discussed at length to reveal a paradox of purpose and situate the need for a renegotiation of the social contract. This paradoxical situation that the public university faces – to educate the American public and produce commodifiable knowledge products and human capital – stands perhaps to be a defining moment in American history and the future of one of its greatest social institutions, the public university, is of utmost concern. As Readings (1996) states, “[i]t is no longer clear what the place of the University is within society, nor what the exact nature of society is, and the changing institutional form of the University is something that intellectuals cannot afford to ignore” (p. 2). As a result, how the influences of hegemonic ideological norms through academic capitalism renegotiate the social contract between the university and the public stands to have a profound impact on the function and purpose of higher education. If neoliberalism and academic capitalism prevail, the public university will no longer be a beacon of knowledge for the public good.

Neoliberalism and Higher Education

Neoliberalism is an ideology that supports globalization in the marketplace.
For this ideology to be realized, proponents of neoliberalism call for a reduction in border constraints on market involvement to increase speed, amount, and type of commodities in trade, a regulatory system governed by systems other than the traditional nation-state, increased privatization to increase value and exchange of commodities including knowledge or technical commodities, and ‘selective deregulation’ to support a free market system based in idealistic capitalist ethos worldwide (Torres & Rhoads, 2006). To achieve this deregulated world marketplace, public institutions are pressured to commodify their outputs and join the neoliberal movement by becoming market actors (Jessop, 2002).

Neoliberal ideology has permeated modern public and private spheres, blurring the lines between these two historically separate realms. This new capitalism (Jessop, 2002) often embodies contradictory principles requiring significant regulation and oversight in the name of market capitalism. Close regulation, added restrictions, and oversight are antithetical to capitalist, laissez-faire and democratic principles. Instead, neoliberalism supports market value over cultural or social value, perpetuating social inequity (Grummell, Devine, & Lynch, 2009). This causes the university to change its values and structure from free flow of knowledge and shared governance to secrecy, competition, and hierarchical management. The greatest risk involved with this change in the university is the fact that it no longer focuses on the social purpose of higher education – to facilitate social and moral progress through knowledge and teaching. Rather, the focus is directed toward commodifiable technical knowledge that supports the market (Schugurensky, 2006), establishing the university as a market actor through academic capitalism (Slaughter & Rhoades, 2004).

Supporting the neoliberal knowledge-based economy (Jessop, 2002) is not only a detriment to the traditional university, but also creates an impossible task for higher education (Shore, 2010). The public university as an institution is being expected to meet often contradictory outcomes; outcomes that were typically fulfilled by institutions other than the university in the past. Now that neoliberalism is arguably the publicly accepted norm, the government can control funding to reinforce the expectation for state funded institutions to meet the demands of the market and the consumer culture. This is reinforced through governance structures and policies within the university, creating a culture of accountability facilitated by standardized performance evaluations of academicians and staff members, as well as funding structures based on those policies and evaluations.

**Academic Capitalism Defined**

The market culture resulting from the neoliberal knowledge-based economy takes form in the public university as academic capitalism. Academic capitalism
is defined by Slaughter and Rhoades (2004) as the method by which the university has become integrated into the new economy, the university’s “pursuit of market and market-like activities to generate external revenues” (p. 11). This pursuit is led by both faculty and researcher-entrepreneurs (Slaughter, Archard & Campbell, 2004) and the university as an institution (Rhoades, 2006). At the institutional level, academic capitalism encourages the university to commercialize the knowledge it produces, encourages academicians to be entrepreneurs, subsidizes corporate research and development efforts, and infuses the regional economy (Jessop, 2002). With higher education facing this pressure and challenge, it is placed in a paradoxical situation (Barrow, 2010; Metcalfe, 2010). The university is expected to alleviate the economic challenges of its service region, but yet it is not funded by the very political body that expects a return without proper investment (Barrow, 2010). Instead, this foundational public institution must turn to private entities and market involvement to fulfill its duty and obligation to the public.

Academic capitalism is not a 21st century phenomenon. Its roots lie in the early 1920s when universities began patenting technological innovations after the First World War. Patents were popularized as progress in science and technology moved to the forefront of economic and political prowess throughout the tumultuous 20th century (Welsh, Glenna, Lacy, & Biscotti, 2008). With industrial growth and scientific discovery and a changing economy and global relationships after the Second World War, funding structures swiftly changed, and the lines between the public and private spheres began to cross. With the emergence of neoliberalism, rooted in the 1970s, solidified in the 1980s, and unquestionably the norm by the 1990s, interests of both the public and private spheres began to merge (Jessop, 2002).

Academic capitalism challenges the traditional purpose of higher education to provide open access to knowledge for the betterment of society to create an engaged, active, and educated populace (Welsh, et al., 2008). If this purpose is challenged by economic demands, folded into discourse that calls for economic growth in the name of public benefit, researchers and the public that education is to serve must decide if this new purpose is in opposition to the traditional purpose of creating an engaged democratic citizenry, or if academic capitalism is in fact the new norm in higher education (Kezar, 2004; Slaughter & Rhoades, 2004). If this is the case, the social contract between the university and the public must be rewritten (Kezar, 2005). Renegotiating the traditional expectation and service of the university and redefining the public it serves is disconcerting. If it is renegotiated to meet neoliberal, academic capitalist demands, the mission of the public university will no longer include service to the public. In this challenging point in the history of higher education, can the traditional social contract be revived, or will it succumb to neoliberal discourse and create a public institution that serves only private interests?
Academic Capitalism in University Practices

The result of the blurring of the lines between public and private interests and the focus on third party external funding led to individual institutions creating internal policies regulating academic researchers’ and teachers’ outputs. The policy that most directly intermediates between the market and the individual researcher is the intellectual property policy of the university. Intellectual property policies vary by institution, but one aspect is consistent. The university retains rights over knowledge discovered or created, and maintains some form of ownership for profit (Slaughter & Rhoades, 2005). Although faculty researchers and other entrepreneurs are not lost in this negotiation as they gain wealth as a result of royalties, what does this process of research for capital do to the integrity of their work? Rider (2009) identifies three areas of profound negative change that have caused the success of universities to be measured by outputs rather than processes, a key attribute of neoliberal ideology. First, teaching and learning are sacrificed in favor of skilled labor and marketable research, measured by patents. Second, the university is now seen as an economic agent; the market value of knowledge trumps academic freedom and inquiry, both central to democratic education. Third, economic success is tied directly to politics in the neoliberal market system. As a result of the competition for research for teaching and learning and research for profit, Rider argues the lines between democratic academic inquiry and the market economy are blurred. Thus research agendas are greatly influenced and the ecosystem of the university, even with its faults, is ultimately destroyed. Further, what happens to the public when the search for knowledge for social benefit is no longer a foundation of an institution created to provide capable leaders and citizens in a civil society (Rider, 2009; Shore, 2010)?

Impact on Faculty

With the change in focus to research for profit over democratic inquiry, neoliberal policy makers, corporate leaders, and administrators in higher education expect faculty to change their function. Faculty are expected to function independently as agents in the market competing as contributors to the global market economy, not contributors to their community, organization, or the institution of higher education. This is in direct opposition to traditional academic inquiry which requires research to be free from political or economic forces or interests; academic research is supposed to represent and support civil society, all of society, not aimed purposefully at one area or group (Rider, 2009). Therefore, as Rider posits, free enterprise research is the exact opposite. Free enterprise research has a particular interest to meet the demands of the consumer or customer, with success being measured by economic relevance. With dual
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Research agendas, traditional and entrepreneurial, conducted simultaneously in the university, competition arises between departments and individual researchers. This dual role of educating citizens as well as infusing the economy, placing greater value on potential economic gains, contributes significantly to internal competition (Rider, 2009). This furthers the salary gap between professors in the liberal arts and the sciences, reinforcing the university’s migration to becoming a “quasi-private” institution (Weerts & Ronca, 2006, p. 936).

While the university as an institution creates an environment of competition for funding and profit, and industry positions itself to be the most attractive bidder and supporter of higher education, the faculty and their decision to join entrepreneurial efforts must be evaluated (Renault, 2006). Renault determines that there are three main institutional influences on faculty decisions in regards to entrepreneurial activity. First is the issue of ethics and the fact that faculty differ in opinion as to the purpose of the university in the market; second, the fields of science have changed significantly over the last 25 years; and third, university policies are often contradictory in how they support or hinder academic involvement in academic capitalist efforts. The results of Renault’s (2006) study indicate that there is a direct correlation between faculty beliefs in academic capitalism, faculty beliefs in the purpose of the institution of higher education, and their involvement in commercial efforts.

Influence on Policy

Policy is also determined to have significant influence on how aggressive faculty researchers are in the transfer of knowledge. University policies are often contradictory as a result of the institutions support of academic capitalist efforts and the traditional and stated mission of the institution. Renault (2006) argues, in favor of academic capitalist efforts, that until policy and mission are reconciled, and spin off companies are recognized as contributions to scholarship, universities are not going to be able to provide the economic development expected of them. In contrast to this favorable assessment, Welsh, et al. (2008) argue that university policy, intellectual property policies in particular, are simply a reflection of how embedded neoliberal discourse is in research universities. Furthermore, how faculty members view these policies is clearly polarized based on field of study, whether science or liberal arts faculty, reinforcing the private nature of academic capitalism and reinforcing an environment of competition among members of the faculty (Welsh et al., 2008).
Competition

Not only is there competition within the university, there is competition between industry and the university. This is not a collaborative process; it is a process of competitive private interest with economic aims. Rider (2009) warns that if the public institution of higher education is taken over by private interest, taxpayers and citizens will have no responsibility or obligation to support the university. It reduces the university to a factory that mass produces knowledge capital (Rider, 2009). In addition to the mass production of commodifiable knowledge, the university also produces human capital as a result of hegemonic neoliberal ideology in the academy. The reliance on business for higher education funding, and research agendas drafted to gain corporate support, has forced higher education to abandon its purpose to serve and preserve a civil society. According to Giroux (1999), this is unquestionably embedded in the university as curriculum is vocationalized and decisions are based on consumer satisfaction models, whether the consumer is industry or the student. Vostal, Silvaggi, and Vasiliki (2011) support Giroux’s analysis of curriculum and human capital arguing that once a student completes a plan of study, the university awards degrees that essentially state a person is marketable based on the university’s stance in the knowledge economy. Graduates then hold degrees that confirm them as items to be traded. Education is no longer viewed as a public good, sought after by those who wish to apply their knowledge to become leaders for the populous; instead it is a private want that students pursue with the hope to gain more capital return on their investment (Giroux, 1999; Vostal et al, 2011).

Academic Capitalism: Friend or Foe?

Reliance on market activity and business connections raises the question as to whether or not the added funds resulting from academic capitalism and business/industry connections are beneficial to the university as a whole, or if it creates more complications than it is worth. Based on the literature discussed, it is clear that academic capitalism is becoming an integral part of the university’s funding model in the wake of constrained state budgets. What is highly contested in higher education scholarship and literature from other areas of academe is the value or detriment of academic capitalism on the academy. The debate is focused on two issues. First, whether or not higher education entered the market economy willingly, or was forced by political and economic pressures; second, if the result of higher education’s involvement in academic capitalist ventures have a positive or negative impact on the institution (Mendoza, 2009). According to Mendoza (2009), the extant literature concerning the role of the academy in its engagement in market activity is polarized. Contributing to the polarization is the fact that there is little research.
that involves organizational and discipline specific culture in relationship to capitalist ventures in academia. Second, the purpose of the university comes into question, opening an additional forum for debate that often distracts critics and researchers from the issue of involvement (Mendoza, 2009).

The University as a Willing Participant

At the forefront of research regarding academic capitalism, Rhoades and Slaughter (2006) argue that the university willingly adopted market functions and the commercialization of academic knowledge (Slaughter & Rhoades, 2005); an adaptation that is not going to change in the foreseeable future (Rhoades & Slaughter, 2006). Rather it was encouraged by both policy and the private sector, but was driven by entrepreneurial actors within the academy. While understanding that this position is contested by many others in the field, Slaughter and Rhoades (2004) stand by their assertion. As a result of American higher education being the dominant model worldwide, and its powerful economic position in the global marketplace, Slaughter and Rhoades (2004) argue that higher education embodies and defines the global political economy. Higher education therefore drives the neoliberal market and, in these scholars’ opinion, rightly so as the market economy and its commodities are information-based, creating an entrepreneurial university that increases competition in the global economy. With this dual role the university’s transition to seeking academic capital over democratic inquiry and being a competitive economic actor is perhaps now the norm (Slaughter & Rhoades, 2006).

The Pressures of Neoliberalism

Schugurensky (2006) counters Slaughter and Rhoades’ (2006) determination that universities willingly became market actors. Schugurensky instead contends that higher education was dominated by both the state and the market through policies and accountability measures. This forced adaptation caused culture within the academy to change, leading the university to transition from being an autonomous public institution to a heteronomous institution subject to scrutiny by both the public and private sectors. The resulting expectations of multiple stakeholders cause the internal functions of the university to align with the external stakeholders’ organizations and methods, creating a corporatized academy. The more corporatized the university becomes, argues Schugurensky, the more issues will arise within the academy causing the public to ultimately suffer from this shift in focus. The integration of the university into the new global knowledge based economy does create a paradox for higher education as it is expected to be both a public good that supports the welfare of the citizenry but
at the same time is expected to seek capital interest for the institution as well as private partners, placing market value over social value (Schugurensky, 2006).

The Emergence of a Market Model

As a result of this shift to market principles and changing dynamic and relationship between higher education and society, Slaughter and Rhoades (2004) suggest that the academy has shifted its focus from first being defined as a liberal learning regime, to a public good regime, to an academic capitalism learning regime in the 1990s, and finally to being defined as an academic capitalist knowledge/learning regime. This theory explains the process of integration of the university into the new economy, how the process was supported or even initiated by the institution of higher education, and how the actors involved use state resources in various ways to create the link between higher education, business and industry, and society. “The academic capitalism knowledge/learning regime values knowledge privatization and profit taking in which institutions, inventor faculty, and corporations have claims that come before those of the public” (Slaughter & Rhoades, 2004, p. 29). As a result, the knowledge “created in the public university may be construed as a private good, valued for creating streams of high-technology products that generate profit as flow through the global markets” (p. 29). This market model undoubtedly initiates a renegotiation of the purpose and future of higher education.

The Paradox of Purpose

With higher education being viewed as an investment by both individuals and industry, and the dependence of the university on industry for third party funding as well as the state apparatus that regulates it, a paradox emerges challenging the purpose of higher education (Barrow, 2010; Metcalfe, 2010). This dependent relationship among the university, business and industry, and the state creates what Etzkowitz (1994) calls the triple helix. This dependence results in a “second academic revolution” that requires the creation of a new social contract “between the university and the wider society, in which public funding for the university is made contingent upon a more direct contribution to the economy” (Etzkowitz, 1994, p. 167). The state recognizes its dependence on education for economic growth and as a result understands that it must give education autonomy within the context of neoliberal hegemony to create commodifiable knowledge (Jessop, 2002). The problem is that this creates two conflicting strategies. The first “involves a reaffirmation of the state functions of education as a ‘public good’, while the second subjects education to the disciplines of the market and the methods and values of business and redefines it as a competitive private good” (Marginson, 1999, p. 122). Regardless of noted
conflict, the fact is simply that the accumulation of knowledge for the purpose of supporting the global knowledge based economy is the prominent influence on decisions of the state, business, and the university to pursue academic capitalism (Jessop, 2002).

Crisis of Rationality

The call for academe to more directly support the economy results in what Barrow (2010) describes as a rationality crisis. The rationality crisis in higher education considers the dichotomous situation of the university as both a cause of and solution for the economic crisis in the market economy. As a result of being a part of the state apparatus, the university is not exempt from the economic problems facing the state, placing it in the midst of an ideological battlefield. This forces agents of the state to make a very difficult choice; either restore democratic systems causing upheaval, or take the easier route of alleviating pressures on the state by privatizing and commodifying public goods and services. Recognizing this precarious position, Barrow asserts that higher education is thus functioning by fictitious rationality exemplified by the institution’s decision making processes. Barrow (2010) defines fictitious rationality as “the structural ideological effect of occupying a position within the administrative system where managers exclusively monitor and regulate the academic labor process, rather than produce educational values, such as teaching (learning) or research (information and knowledge)” (p. 321). Therefore, as Barrow explains, “fictitious rationality is the ideological illusion of individuals who observe the academic labor process, but are not directly a part of the process” (p. 321). This forces administrators in higher education to regulate labor closely in order to operate efficiently to reduce costs as more value is placed on cost effectiveness and efficiency than those who produce academic capital.

Changing Purpose

Close regulation and reduction of costs for knowledge production requires a large and coercive administrative apparatus. Corporate model recommendations to alleviate fiscal crisis by adding layers of bureaucracy reinforces Barrow’s assessment that higher education is in the midst of a rationality crisis. Applying corporate managerial modes of bureaucratic leadership and processes only intensifies the contradictions, making the crisis even more dangerous as administrators then must bury the contradiction and fight to legitimize their actions. At this point, the rationality crisis also becomes a political crisis both within and outside of the university as administrators attempt to legitimize coercive managerial practices under the auspices of technology transfer to fuel
the global economy. This, according to Barrow (2010), is leading to disorganization and an eventual functional collapse of the university system.

While equally disturbed by the challenges this relationship poses, Shore (2010) posits not a failure of the university system as a whole, but a dramatic change in culture and purpose of the university, creating a schizophrenic university. The schizophrenic university must challenge its own purpose and identity and determine what its obligation is to society and how to meet that obligation in a hegemonic neoliberal context. Functioning under the same pretense of crisis of identity, Newfield (2010) approaches the dichotomous relationship between greater society and the state from the perspective of funding allocation. Newfield focuses on the irony in higher education funding and the pressure for universities to assist in alleviating the current economic crisis. According to this assessment, higher education is responsible for past economic success and market domination and now the state refuses to adequately fund the very institution that allowed for economic success. Thus, undermining education through lack of funding undermines the status of Western capitalist nations in the neoliberal global market.

Newfield (2010) describes global capitalism as “a race between innovation and exploitation” (p. 613). Unfortunately, it is determined that exploitation is the victor without an educated populous, and innovation for the greater good cannot happen without state support. Without funding, education is not available to all, and universities must turn to private entities for support. This alters not only research agendas but access for students, a fact noted as a matter of concern by Slaughter and Rhoades (2005). This creates tension between faculty who compete for research funds not equally allocated, as well as students to study in their field. More state funds go to smaller, higher tech, and higher revenue streaming programs (sciences and health) than larger programs that serve hundreds of students per year (humanities and liberal arts). The programs with the most state funding are also the same programs that attract private sector support and attention. Ignoring the foundation programs alters the purpose of higher education and, as Newfield (2010) argues, is leading to the end of traditional higher education for the public good.

Higher Education and the New Public Sphere

Now that higher education is in the paradoxical situation of being a potential solution for economic ills, but has historically been an institution dedicated to public service and regarded as inefficient in operations, the mission and purpose of the institution is challenged. Not only is the purpose of higher education as a whole challenged, but defining what it means to be part of the public versus the private sphere and where different institutions are situated within those spheres is being re-evaluated. The result is a renegotiation of higher education’s social
responsibility. Is it to provide knowledge for the betterment of society, or alleviate the economic pains facing society (Kezar, 2004)?

Challenging not only purpose but social, political, and economic worth places the university beyond a paradox, but in a crisis of rationality (Barrow, 2010) that will redefine the institution as a whole (Shore, 2010), as well as what it means to be part of the public sphere (Slaughter & Rhoades, 2005). This creates a precarious situation for the university as it means that the university is expected to meet its traditional mission of supporting the public and creating contributing citizens as well as meeting demands of the market and the state, which are nearly inseparable in neoliberal ideology (Schugurensky, 2006). The unfortunate imbalance within institutions of higher education (Rhoades, 2006) is reflective of greater societal issues resulting from corporate culture and expectations dominating Western society (Giroux, 1999).

Simplifying the paradox to either change the purpose of higher education or redefine what it means to be public glosses over an important debate. As Mendoza (2009) suggests, it is difficult to determine if academic capitalism is in fact in opposition to the purpose of the university, the free and open sharing of knowledge for the public good. Again, Mendoza reveals polarized literature concerning this caveat; either research agendas fueled by industry needs are secretive and challenge traditional missions, or they are in support of the traditional purpose as applicable creations of knowledge that in the long term positively impact the public. A middle way is suggested that both viewpoints are occurring and traditional academic research is not lost as most industry research is kept in house to avoid potential conflicts with intellectual property policies at the university. Regardless, as Mendoza (2009) is careful to address, academic faculty are to create scholarship that is “free from political, economic, and social interventions, and that faculty have the responsibility to disseminate new knowledge for the public good” (p. 303). This is open to interpretation as well, as for those who support ventures in academic capitalism could effectively argue that research that can be readily applied for public benefit is the result of “engaged scholarship” (p. 307).

The question of purpose of scholarship led Rhoades (2006) to determine that higher education is out of balance, and this is not something easily remedied. Shifting the focus from commodifiable knowledge to social benefit through discovery of knowledge will take a revocation of many policies and change in decision-making processes in the institution of higher education. At this point, as Slaughter and Rhoades (2005) are careful to highlight, higher education policy reflects the willingness of the institution to engage in market activity. This does not mean that it has become a private entity, instead, “it entails a redefinition of public space and of appropriate activity in that space” (Slaughter & Rhoades, 2005, p. 306). Further, since public funding is lacking for the public institution, what it means to be public must in general be redefined. In complete opposition
to the suggestion that the public should be redefined, Rider (2009), Schugurensky (2006), and Shore (2010), among others, reject the notion that the public sphere should be redefined; rather there is a call for the university to reconcile its moral obligation to society that is lost in academic capitalist ventures that allow the university to be managed as a corporate, market entity, rather than a public institution founded to support and prepare leaders in a civil society.

The University: Public or Private Good?

With the rise of academic capitalism and the university’s involvement in the global marketplace, the focus and purpose of the university has changed. Now there is greater competition between institutions, among faculty, and corporations to make connections that lead to market contributions. This competition and focus on economic growth changes the relationship between higher education and society; as well as questions whether higher education is a public or private good. The traditional mission and values of higher education are challenged by both a global economy and local trends causing a disconnect in the charter between higher education and society. The traditional mission and purpose of the university is to educate the populace to be civically engaged, support a democratic system, create future leaders for the public sector, preservation, advancement, and creation of knowledge, intellectual development, and access to knowledge in communities (Kezar, 2004; Shore, 2010). With the acceptance of global economic trends, an industrial or corporate managerialist model of the university has emerged, focusing on market goals. If this continues, not only will the traditional purpose be lost, but there will be a greater disparity in wealth and less civic engagement as a result of lack of access and inability to produce educated workers to compete in the global market (Kezar, 2004). This means that the public institution meant to be open to the populace for either admission or communal benefits of knowledge growth will now succumb to market pressures and perpetuate the disparities of wealth synonymous with capitalism. Thus the university loses sight of its moral obligation to society in order to perpetuate inequality of society through research goals rewarded by market gains (Slaughter & Rhoades, 2005).

Over the course of history, the social charter between higher education and society has been revised and changed through a process of negotiation. With the dominant neoliberal economic discourse defining the public good as a private good, the fear is that the renegotiated charter will sacrifice democratic goals for market gains. The public institution has always served the labor market, whether intentionally or not, by producing educated graduates, but now the university is called to make facilitating private, industry benefits at the heart of the institution’s purpose. This infringes upon academic freedom, inquiry and progress; if not balanced, the public good will be lost (Kezar, 2005).
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Not only will the public suffer from this potential complete loss of focus, the academy and the integrity of the work produced will also suffer. Altering research agendas, teaching, funding, and the campus environment for faculty, staff, and students in order to support private interests in turn challenges academic values of service, academic freedom, search for knowledge, truth, and equality. Public service is no longer a priority; the value of public service has declined in general as a result of neoliberal economic discourse. Instead, as Kezar (2005) writes, “It could be argued that higher education’s service role is to the market, but it is important that legislators and educational leaders decide if that is the only or predominant service role of the academy” (p. 36). Academic freedom for members of the academy also changes with revisions to the social charter. The public will hold the university and its faculty accountable to profit gains, not to mention the intrusion business and industry in research agendas and outputs. When academic freedom is restricted, what knowledge is sought and valued is restricted. Restrictions on research and academic freedom require significant oversight and increased internal regulations. The overall environment of the university changes, there is less open dialogue, and students have less of an experience in the academic community. This causes equality to be compromised for both faculty and students (Kezar, 2005).

Conclusion

Whether or not the university is in a paradoxical situation by force or compliance (Newfield, 2010), regardless if the institution is in the midst of a crisis of rationality or not (Barrow, 2010), the fact remains that what it means for the university to be a public institution is changing (Slaughter & Rhoades, 2005). Academic capitalism is dominant in higher education as a result of economic crisis in the Western world, and arguably, globally. Higher education losing sight of academic inquiry as a means to preserve civil society (Shore, 2010) in the name of economic growth results in the domination of hegemonic code that will inevitably seal the notion that higher education in fact defines the global political economy (Cerwonka, 2009). Poised as the entrepreneurial university valuing commodifiable knowledge and the creation of human capital (Giroux, 1999), the institution supplies the market with what it needs to service the private needs of the public. As a result of this focus on knowledge capital the public university must redefine how it serves the public (Kezar, 2004); a service in a neoliberal context that supports the public through economic growth (Slaughter & Rhoades, 2004).

The traditional public university with a focus on education for an engaged citizenry and the free sharing of knowledge for the benefit of the public at large is becoming an historical entity. The dominance of academic capitalism in the public university challenges the social purpose and duty of the university by
replacing the public obligations with private interests. Thus the social contract between the university and the public must be renegotiated. The challenge the public university faces in this ideologically paradoxical situation is whether to adhere to traditional values of public service for the promotion of a civil society or to fold to market demands and fully commit to the private interests of the new economy. If neoliberal ideology prevails in the public university, a beacon of American social and cultural history, the institution of higher education will be forever changed and will no longer serve the public for the benefit of all.


