

Failure is not an option

Reflexive claims for the US academy's greatness ring hollow, says **John Summers**, given elite institutions' tight links with economic and political power and lack of appetite for challenging ideas

Our institutions tremble and sway, but it's a rare week that passes without opinion leaders reminding us of the stability, excellence – nay, glory – of the US higher education system. Here is the last American piety, a liturgy incanted in newspaper columns by Thomas Friedman (Brandeis University, 1975) and Nicholas Kristof (Harvard University, 1981) in *The New York Times* and in think-pieces by the likes of James Fallows (Harvard, 1970) in *The Atlantic* magazine.

Dispatched in January-February 2010 to discover “How America can rise again”, as the publication described his mission, Fallows listened to “experts around the country” whistle *Alma Mater* among the ruins.

“US higher education has essentially been our innovation engine,” Shirley Tilghman, Princeton University's president, told him. “I still do not see the overall model for higher education anywhere else that is better than the model we have.”

Laura Tyson, who has served as dean of the business schools at the University of California, Berkeley, and the University of London, chimed in: “There is not another country's system that does as well – although others are trying aggressively to catch up.”

In higher education, Fallows reports, lies “America's advantage”.

Certainly, a degree from a leading school is an “advantage” in national politics. Like his presidential predecessor George W. Bush (Yale University, 1968), Barack Obama (Columbia University, 1983) has surrounded himself with graduates of elite private universities. The members of his Cabinet, his chief of staff and three senior advisers are together a tribute to ethnic and racial diversity. But only Vice-President Joe Biden and Labor Secretary Hilda Solis received undergraduate degrees from public colleges.

In Obama's first year, his entire economic team – Tim Geithner (Dartmouth College,

1983), Ben Bernanke (Harvard, 1975), Larry Summers (Massachusetts Institute of Technology, 1975), Christina Romer (The College of William and Mary, 1981), Paul Volcker (Princeton, 1949) and Austan Goolsbee (Yale, 1991) – came from the Ivy League or one of its close counterparts. The same rule of thumb applies to his Supreme Court nominees, Sonia Sotomayor (Princeton, 1976) and Elena Kagan (Princeton, 1981).

Certainly, too, the elite private university confers an “advantage” in business. Asked in February 2010 by *Bloomberg Businessweek* to name chief executives he admires, the president cited FedEx's union-busting chief, Fred Smith (Yale, 1966). When asked about his ambitious plan to double US exports, Obama showed how fully he has absorbed the consensus. “We have still got the most innovative economy,” he boasted. “We have still got the best universities in the world.”

The consensus betrays a hollow conception

of higher education that puts product development over moral and cultural development. The president's secretary of education, Arne Duncan (Harvard, 1987), makes the point clear in *Foreign Affairs* (November-December 2010). Hailed as one of the administration's deep thinkers, Duncan peddles a cost-free vision of progress via education replete with the usual lazy connotations of political democracy with the economic marketplace, of power with knowledge, and of knowledge with information.

The name of the Department of Education's reform programme, Race to the Top, perfectly captures the education secretary's blithe suggestion of life as a competition. In this market-oriented educational creed, the ambiguities and uncertainties entailed by the actual experience of learning are nowhere acknowledged.

“In moments of agony, I envied my fellow slaves for their stupidity,” Frederick Douglass

wrote in his autobiography, *A Narrative on the Life of Frederick Douglass, an American Slave* (1845). “I have often wished myself a beast. I preferred the condition of the meanest reptile to my own. Any thing, no matter what, to get rid of thinking! It was this everlasting thinking of my condition that tormented me.”

Columbia sociologist Jonathan Cole's ironically titled book, *The Great American University: Its Rise to Pre-eminence, Its Indispensable National Role, Why It Must Be Protected* (2007), celebrates its many scientific advances and attributes them to its strategic business partnerships. But just as the new creed takes “everlasting thinking” out of the curriculum, so colleges and universities lost their distinctive institutional character as they turn into a branch of industry. Every further advance into this brave new world, every innovation like stem cells and gene-splicing, confuses the

academic value of research with the commercial value of profiteering, the disinterested quest for knowledge from the instrumental expectation of profitability.

It was Stanford that taught two computer scientists, Larry Page and Sergey Brin, to ignore the line separating scholarship from entrepreneurship. Page and Brin met during an orientation session for computer science graduate students. Eventually they convinced Stanford to lend the computing power for the experiments that led to Google. The company models its headquarters on a university campus and promotes itself as a simulacrum of a postgraduate student milieu. It rewarded Stanford for the right to use its key internet search technology, developed by Page and Brin as students there, with stock and royalties; Stanford's president John Hennessy has a seat on the board.

Neither Page nor Brin completed their postgraduate degrees, but they staffed Google



with the graduates of elite private universities. Early senior management at the company, including Sheryl Sandberg (Harvard, 1991) and key advisers such as Bill Campbell (Columbia, 1962), came from the Ivy League, as did chief executive Eric Schmidt (Princeton, 1976). Schmidt and Campbell serve on university boards of trustees. The fathers of Page, Brin and Schmidt are all professors. The “facebook” of Harvard supplied Mark Zuckerberg with the initial “social capital” for his new media company. Just as Page launched Google by using Stanford’s computing to copy the entire internet, so Zuckerberg began Facebook by breaking into Harvard’s online directories and downloading images to his personal computer. University officials charged him with violating copyrights and privacy. Soon, though, the social networking site spread to Princeton and Stanford, then to Dartmouth, Yale, Cornell and Columbia, universities where all students, in effect, minor in marketing.

Maybe this indicates no more than the rough accuracy of Honoré de Balzac’s famous quip that behind every great fortune lies a crime. But the culturally impoverished sensibilities of Page, Brin and Zuckerberg suggest the academy’s failure to humanise its most successful whizz-kids.

According to Ken Auletta in *Googled: The End of the World as We Know It* (2009), Page and Brin “share a zeal to digitize books, but don’t have much interest in reading them”. Zuckerberg is reported to have handed out business cards that read: “I’m CEO...bitch”. All you need to know about his moral imagination and the hyper-competitive milieu that nurtured it you can find in the instant messages that he has acknowledged sending to a classmate soon after gaining control of Facebook.

Yea so if you ever need info about anyone at Harvard

just ask
i have over 4000 emails, pictures, addresses, sns

what!? How’d you manage that one?

people just submitted it
i don’t know why
they ‘trust me’
dumb fucks

Silicon Valley glorifies a data-driven conception of intelligence that encourages companies such as Google and Facebook to attack real human values, including privacy, in the name of progress. And on campus? The omnipresence of private interests has ensured a corporate style of management. Conflicts of interest are routine in academic medicine, journalism, psychology and biotechnology as well as computer science.

The recent scandal of the bribing of universities’ financial aid officials by private companies offering student loans has forced senior administrators across the country to draft codes of conduct on conflict of interest. But in most areas, there is no pretence of reform. Companies trading in the food service and mobile communications industries enjoy revenue-



Future possibilities graduates at the University of California, Los Angeles, will probably not slide so effortlessly into top careers as their Ivy League counterparts

sharing agreements and trade board seats, and exchange gifts with academic officials.

Little of this reality has penetrated the skulls of college dropouts such as conservative media stars Rush Limbaugh and Glenn Beck or state university graduates including former Republican vice-presidential candidate Sarah Palin (North Idaho College, 1987), who remonstrates against the elite private universities as hotbeds of left-wing privilege. In fact, since the end of the Cold War, government has disinvested from all academic subjects that cannot justify themselves in market terms, transforming higher education into a parody of left-wing idealism.

Unlike their science-oriented counterparts, humanities faculties depend entirely on their institutions for support. And what support! According to the American Academy of Arts and Sciences, of the total research spending by universities in 2006, the humanities received 0.45 per cent.

Meanwhile, conservatives such as David Horowitz (Columbia, 1959) and Ann Coulter (Cornell, 1984) are still bitching about multiculturalism, as if culture was still taught on campus; and Pulitzer prizewinner George Will (Trinity College, 1962) is heaping abuse on California’s public-employee unions, as if the most irksome business on campus, the teaching, has not been delegated to an underclass of part-timers, graduate students and adjuncts.

To understand the irrelevance of the conservative critique, consider the role of the universities in the catastrophic failure of great intelligence otherwise known as the Great Crash of 2008. The social origins can be traced to the early 1970s, when tycoons such as Morgan Stanley’s John Mack (Duke University, 1968), Citigroup’s Robert Rubin (Harvard, 1960), Bank of America’s Brian Moynihan (Brown University, 1981) and Edward Yingling of the American Bankers

Ivy League campuses are filled with wealthy middle classes, children of alumni and those with ‘development admits’, ie, admitted because of their family’s donation potential

Association (Princeton, 1970) began their gilded Wall Street careers. As graduates of the Ivy League, they hired their own, reassured by the complacent notion that they were getting the smartest, most capable members of society.

Over the decades, Wall Street, like the elite universities from which it recruited, evolved a stratified labour system, routinised conflicts of interest and fetishised a sterile conception of intelligence focused on test scores. By 2007, when 47 per cent of Harvard’s graduates went into finance or consulting, the institutional convergence of Wall Street and higher education reached its surprising climax.

Why surprising? Didn’t the Ivies supply Wall Street with a natural aristocracy of talent and intellect? Not exactly.

“At least one-third of the students at elite universities, and at least half at liberal arts colleges, are flagged for preferential treatment in the admissions process,” writes Daniel Golden in *The Price of Admission: How America’s Ruling Class Buys Its Way into Elite Colleges – And Who Gets Left Outside the Gates* (2006). Their campuses are filled with the wealthy middle classes, students born lucky enough to have a parent who attended the institution and those with “development admits”, ie, admitted because of their family’s donation potential.

Golden claims that gaining entry into a liberal-arts college with an endowment in the low hundreds of millions costs around \$20,000 (£12,300) in donations, on top of

annual tuition. Double that, and then some, and one may gain the attention of a more exclusive institution. Admission to a top-25 university requires a minimum outlay of \$100,000 – again, not including tuition. For a top-10, one would be looking at \$250,000 and up.

Is the bribe worth the payoff? No question. According to a survey by *The Wall Street Journal*, starting salaries for university graduates owe substantially more to the choice of institution than to the subject studied. The median starting salary for Ivy Leaguers is 32 per cent higher than that for liberal-arts college graduates.

The bribe looks better still when you consider that it is very difficult for students to fail. Stuart Rojstaczer, a retired Duke University professor of geology, environmental science and civil engineering, has published a large body of data concerning the grade bubble.

“If current trends hold,” Rojstaczer wrote in 2008, “‘A’ will be the average [grade] in the coming decade at most of the highly selective private colleges and universities.”

Literary critic William Deresiewicz, meanwhile, has described the platoons of high-priced tutors who give affluent students an “endless string of second chances”.

Like Wall Street’s inflated credit ratings, the elite universities’ inflated grades packaged mediocrity as excellence. Like Wall Street’s government bailouts, the elite universities’ third-party helpers stand by to socialise students’ risk. Too Smart to Fail, in short, is the educational equivalent of Too Big to Fail, the argument that major financial institutions are too important to be allowed to go under.

Reflecting in 2008 on his two dozen years as a student and assistant professor at Columbia and Yale, Deresiewicz bemoans “a narrow and suffocating normalcy” on these campuses. Students learn “a false sense of

self-worth”, grow incapable of relating to those outside their social class and meet criticism with wounded vanity. The elite university “teaches you to think that measures of intelligence and academic achievement are measures of value in some moral or metaphysical sense.”

The self-love is complete.

“Places like Yale are simply not set up to help students ask the big questions,” Deresiewicz writes.

Matt Mahan discovered this after he was elected president of Harvard’s undergraduate council, its students’ union, in December 2003. Disillusionment set in after watching nearly 300 official student organisations operate as pre-professional agents for careers in finance, law, medicine and government. Mahan’s senior thesis described a Harvard education as a totalising experience that robs the student of individuality – in the name of diversity.

His chilling verdict: “I think it’s so sad that the vast majority of Harvard students will go into a very lucrative profession, do a little bit of community service on the side to feel better about their lives, but do nothing to change the underlying structures that have produced them. They’ll live in a beautiful suburb where they never have to confront homelessness and poverty, and all end up in the same retirement home where they’ll play golf until they die.”

Wall Street’s implosion exposed the elite universities as a bacchanalia of entitled self-regard. Ruth Simmons, the president of Brown University, earned a salary of \$576,000 in 2010. But according to *The New York Times*, she raked in another \$323,539 from her seat on the board of Goldman Sachs, plus \$4.3 million worth of stock, in return for which she and nine other board members were entrusted with the delicate task of determining the bonus awarded to Chief Executive Officer Lloyd Blankfein – \$9 million.

Did anyone at Brown dare to ask why its



Palin remonstrates against elite universities

president was sitting on the board of an investment bank? No one did until Brown’s endowment, under the direction of its fiscally brilliant president, shrunk from \$2.78 billion in 2008 to \$2.04 billion in mid-2009. So it went for the other top schools. During the Great Crash, the endowments of Yale, Stanford, Princeton and MIT, each of which had exceeded \$10 billion in value, lost between 20 and 30 per cent – even as a record 30 presidents of private colleges were hauling in more than \$1 million each in total compensation.

Harvard had the biggest endowment of them all: \$36.5 billion in 2008. The Harvard Management Company operated a Wall Street-style trading operation that for years paid out fantastic bonuses to its top managers. Egged on by Larry Summers, the university’s president at the time, Harvard invested aggressively in stocks, bonds, hedge funds and private equity. Summers, a former treasury secretary and World Bank chief economist, reportedly pushed for investing 100 per cent of the university’s cash, and he oversaw the ground-breaking for a long-planned expansion of the university in Allston, Massachusetts. Summers was an authentic economic genius. Everyone said so.

The crash cost the university \$1.8 billion in cash alone. Harvard’s response? It laid off low-paid staff, froze pay and halted the construction of the Allston campus, leaving a large hole in the ground and complaints of a rat infestation. Why did the budget axe land heaviest on the lowest paid? Socialism for the rich, capitalism for the rest? Such are the “big questions” elite universities are not set up to ask.

Students were victims too. Amid a deflationary panic over job prospects for graduating seniors, Harvard’s office of career services – normally a Wall Street recruiting arm – offered a seminar called Reflections on Rejection.

President Summers, as one might expect, got a promotion, and in 2009 took up the role of director of the Obama administration’s National Economic Council. Let Summers’ career stand as a parable of university arrogance. Back in 1991, at a World Bank conference, he announced that the “laws of economics are like the laws of engineering. One set of laws work everywhere”.

As treasury secretary in the Clinton administration from 1999 to 2001, he put this sweeping ignorance to work in holding off attempts to regulate derivatives. As president of Harvard, he put it to work in an irresponsible investing strategy.

And where did he go after talking his way out of that job in 2006? You guessed it. He went to Wall Street, where he worked at a secretive hedge fund. From one calamity to the next, Summers landed softly, received a leg up, and prospered.

When the catastrophe he helped to bring about vaulted him back into the seat of power, it was said that Summers was simply Too Smart to Fail. ●

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