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## Academic Barbarism, Universities, and Inequality

Recent work by economists such as Thomas Piketty, Joseph Stiglitz, and others has fleshed out the claim that the academic industry is perpetuating inequality. Their work points to further crossovers between the meritocratic educational practices of the academic industry—what I am calling academic barbarism after Henry and Benjamin—and the neo-liberal economic practices of hedge funds and investment banks that have contributed more directly to heightened levels of inequality. Piketty reveals that the universities consistently at the top of the rankings tables are the universities with the largest endowment funds. The top 8 US universities in terms of endowments are invariably Harvard, Yale, Princeton, Stanford, MIT, Columbia, Chicago, and Pennsylvania with endowments ranging from about \$30 billion to \$7 billion. It is also no surprise that these universities are invariably inside, or close to, the top 10 universities in the university rankings tables year after year.<sup>1</sup> We must also remember, as Joseph Stiglitz informs us, that many of the US “for-profit schools” are “owned partly or largely by Wall Street firms” (2013, 244). It is no surprise then that the returns on endowments have been “extremely high” in recent decades. Piketty reminds us that the “higher we go in the endowment hierarchy, the more often we find” (2014, 449) what are called “alternative investment strategies” or “very high yield investments such as shares in private equity funds and unlisted foreign stocks (which require great expertise), hedge funds, derivatives, real estate, and raw materials, including energy, natural resources, and related products.” Ron Unz goes so far as to argue that Harvard is, in truth, one of the “world’s largest hedge funds” with “some sort of school or

college or something attached off to one side for tax reasons." Unz reminds us that the income each year from tuition—roughly \$37,000 for each of the 6,600 new freshmen—amounts to something short of \$250 million with a substantial part of this going back into the university's financial aid programmes (Unz 2012).

However, it is important to note that much of the aid comes in the form of student loans and tax credits. Eighty-six per cent of students at U.S. four-year for-profit colleges took out student loans in 2009–10. The figure is even higher at four-year, for-profit colleges in the US where 94 per cent of students take out student loans (Mettler 2014, 36). Suzanne Mettler describes the tax credit system as a "reckless response" to the problem of funding educational expansion. Studies also reveal that tuition tax credits "fail to expand access to higher education; rather, they permit students who were already planning to attend college to attend more expensive institutions than they would otherwise" (Mettler 2014, 81).<sup>2</sup> Student loans are often part of the reason so many fail to graduate—only 28 per cent of first-time, full-time degree students at for-profit colleges who started college in 2004 had completed a bachelor's degree within six years according to the US Education Department's "The Condition of Education: 2012," (Fuller 2014). Suzanne Mettler also reminds us that it is the less well-off students who principally attend the for-profit institutions in the US who end up paying full fees while the few students who attend elite private non-profit schools and flagship publics that advertise high "sticker prices" end up paying nothing near full fare. As state support atrophies, public universities and colleges in the US are shutting their doors and are "being transformed into institutions that are, in reality, increasingly private" with students regularly paying over 50 per cent of fees themselves (2014, 129). Students at elite privates, on the other hand, where "sticker prices" run as high as \$62,000 per year, and where "70% of students come from the top income quartile" and only "5%" from the bottom quartile, received an average bill of only "\$13,380" for the academic year 2012–13 (30). Elite private graduates also generally yield the most impressive returns; their earnings are 45 per cent higher than those who receive college degrees elsewhere and they "produce a disproportionate share of the nation's top corporate and government leaders" (31).<sup>3</sup> Students at for-profit private colleges in the US, on the other hand, where low-income students enrol at four times the rate of other students (Webley 2011), and where

“graduates had gone in debt by \$32,700 on average” in 2008, pay on average higher fees than students at public and private nonprofit colleges. U.S. Department of Education data for 2011 reveals that full-time students paid an average of \$30,900 annually at for-profit schools in the 2007–8 academic year, almost double the \$15,600 average paid at public universities and more than the \$26,600 paid at private nonprofits (Lauerman 2015). Private for-profits also get 86 per cent of their funding from the public sector, once again demonstrating how the private has become the public in the US academic industry (Mettler 2014, 169).

However, these politically entrenched mechanisms for perpetuating inequality and producing a “caste system” that directly affect students’ financial well-being in the creaking US academic industry are not unique to the US and are not isolated from the content of the learning and from the values integral to the educational transmission practised. Students are, for the most part, young, impressionable, and highly ambitious and the modes of operation, habitus, and practices of the institutions they work in are quickly internalized for future gain. Why should we expect them to perform any differently? Therefore, if the practices of educational institutions are being described as “barbaric,” “testocratic,” and “divorced from the collective good,” isn’t it likely that the undergraduate and graduate student faces we see before us in our corporate management, social policy, economics, and humanities classes are, in fact, reflecting back at us the traits we see their universities promoting and upholding?

Ron Unz (2012) also reminds us that Harvard “disproportionately admits the children of the wealthy or those of its alumni” because of the “desperate need to maintain its educational quality by soliciting donations.” To maintain their endowments at these levels private nonprofit universities are also paying exorbitant salaries to hedge fund managers to maintain their position at the top of the rankings. However, more unsettling is the for-profit practice of lobbying politicians by contributing to their PAC funds. John Boehner’s PAC “Freedom Project” “received \$2.9 million” from for-profit colleges to “distribute to his Republican colleagues to support their campaigns” (Mettler 2014, 107). Boehner in turn campaigned against moves to exempt for-profit private colleges from state financial funds despite the high proportion of students who default on their loans and the fact that huge tranches of this public money go to the “presidents”

and “leaders” of these private university groups. John Sperling, the chairman of the Apollo Group that founded the University of Phoenix and other private universities, received \$263.5 million of public money over 7 years and Robert Knutson, chairman of Education Management, received \$132.4 million of public money for the same period (Mettler 2014, 170). One is drawn to the conclusion that the elite US private nonprofits with the biggest endowments are ranked more on economic merit than on educational merit. The economic practices that have produced so much inequality, according to Piketty and Stiglitz, are the same practices that have kept universities competitive and high in the rankings. The “trickle-down” effect that should concern educators here is not trickle-down economics but rather trickle-down educational values. It is inevitable that students and educators will ultimately be heavily influenced by the economic policies and theories, as opposed to humanist philosophies, that university boards employ to explain their practices.

If our institutions of learning are so heavily committed to such “alternative investments” and to the underlying philosophy of maximized return that drives such investments, is it any wonder that educational administrators are singing from the same hymn sheet, and allocating internal resources on the basis of the kind of return individual departments and faculties—now described as “cost-centres”—bring in? Since funding from government bodies and philanthropists depends on the performance of a university in rankings tables, and since rankings tables rank departments more and more in terms of the money brought in from external sources and university-industry collaborations, it is hardly surprising that the departments and disciplines that have traditionally defined themselves in opposition to the fundamentals of business and profit margins are suffering today. It is also no longer sufficient or indeed justified for those same departments to simply rely on their imparting of cultural capital since cultural capital is less and less about canons, creeds, and representative curricula but about visible returns in terms of wealth and consumer products that demonstrate social network know-how, entrepreneurial skills, and *guanxi*.<sup>4</sup>

It is generally accepted that inequality is on the rise in the developed world (Piketty 2014; Stiglitz 2013; Wilkinson and Pickett 2010). Piketty argues that it is approaching levels not seen since the beginning of World War I. Piketty also makes the point that the

“distribution of wealth is too important to be left to economists, sociologists, historians, and philosophers” (2014, 2). Therefore, as the knowledge industry behaves more and more like the for-profit industry it could once only dream of becoming, it is timely that humanities scholars also respond to this growing inequality, especially when the economists themselves are calling on the work of artists and writers to strengthen their claims for growing inequality. In fact, Piketty looks to novelists, and in particular Austen and Balzac, in commenting on the distribution of wealth in Britain and France between 1790 and 1830. He argues that these writers grasped the “hidden contours of wealth” (2). However, in acknowledging that novelists had such a key role to play in unearthing some of these hidden contours of wealth, he also admits that:

[...] no contemporary novelist would fill her plots with estates valued at 30 million euros as Balzac, Austen, and James did. Explicit monetary references vanished from literature after inflation blurred the meaning of the traditional numbers. But more than that, rentiers themselves vanished from literature as well, and the whole social representation of inequality changed as a result. In contemporary fiction, inequalities between social groups appear almost exclusively in the form of disparities with respect to work, wages, and skills. A society structured by the hierarchy of wealth has been replaced by a society whose structure depends almost entirely on the hierarchy of labor and human capital. It is striking, for example, that many recent American TV series feature heroes and heroines laden with degrees and high-level skills, [...]. The writers apparently believe that it is best to have several doctorates or even a Nobel Prize. It is not unreasonable to interpret any number of such series as offering a *hymn to a just inequality, based on merit, education, and the social utility of elites* [my emphasis]. (419)

This is quite a startling admission for a number of reasons. Firstly, it is important to note that Piketty sees inequality and unequal distribution of wealth being maintained today, not by a hierarchy of wealth based on land, but by a hierarchy of labour and human capital that is based on educational credentialization and the social prestige of elites. Owen Jones sees a similar transformation in UK society. Madsen Pirie, the former head of the Heritage Foundation,

a Republican Study Committee on Capitol Hill, informed Jones that the Institute for Economic Affairs (IEA), a UK think tank set up in the mid-1950s to push “free-market ideas,” was doing an “excellent job of disseminating market ideas, particularly in universities” (25). As Marc Bousquet reminds us: *“Late capitalism doesn’t just happen to the university; the university makes late capitalism happen* [Bousquet’s emphasis]” (44). However, despite Piketty’s claim that the perpetuation of an unequal distribution of wealth through credentialization is not being challenged by novelists today in the same way that Austen and Balzac challenged the systems their heroes and heroines inhabit, I will argue in the next chapter and in chapter 7 that writers such as W. G. Sebald, Roberto Bolaño, and David Foster Wallace describe the destructive tendencies of the university system in ever more complex ways.

A recent report by the Social Mobility and Child Poverty Commission in the UK supports Piketty’s claims in regard to elitism. It reports that the social background of those “running Britain” reveals that elitism is so embedded in Britain “that it could be called ‘social engineering.’”<sup>5</sup> This elitism is rooted in education. Alan Milburn, the former UK Labour cabinet minister who chaired the commission, said that the situation was unacceptable because “locking out a diversity of talents and experiences makes Britain’s leading institutions less informed, less representative and, ultimately, less credible than they should be.” The university is, once again, perhaps the fundamental institution for underpinning and perpetuating this hierarchy. In the above report, for example, although Oxbridge graduates comprise less than 1 per cent of the public as a whole, “75% of senior judges, 59% of cabinet ministers, 57% of permanent secretaries, and 50% of diplomats” were seen to attend these universities. Owen Jones also reminds us that “university economics departments have been emptied of opponents of the status quo” (2014, 43). Jones argues that one of the key tactics of “the establishment” in the UK is to isolate, or push out, “dissident academics working on economics” (44). One such dissident academic in the UK, Ha-Joon Chang of the Faculty of Economics at the University of Cambridge, argues that “[b]ecause of the ideological dominance of the free-market school, these people [the dissident academics] have found jobs in business schools, government schools, and international relations”; there is little option, he argues, but for them “to embrace neo-liberal ideas” (44).

In the UK the link between an elite education and being a member of the “establishment” is clear. Based on an analysis of the MPs elected to Parliament in 2010, the Sutton Trust—an educational charity—concluded that “Parliament as a whole remains very much a social elite.” Of the current intake of MPs, “35 per cent were privately educated (even though, nationally, just 7 per cent of pupils go to private schools)” (Jones 2014, 68). The link between “costly postgraduate qualifications” and media jobs in the UK is another means by which the “establishment,” for Jones, locks working-class and lower-middle-class young people out of the media industries. The proliferation of unpaid internships in the media, somewhat similar to the practice of “permatemping” that Marc Bousquet says is rife in US universities, ensures that only those with the means can take up these positions and “afford to work for free for long periods” (99). Journalism hopefuls, unlike “twenty years ago,” are now “expected to pay for their own training, and then turn up and still take a crappy job on £15,000” having “mysteriously invested £9,000 themselves” (99). According to a 2014 UK government report, “54 per cent of the top 100 media professionals went to a private school—in a country where only around 7 per cent of pupils are privately educated” (99–100). Society’s means for describing and passing on merit may then appear to have changed. Whereas previously hierarchy was explicitly maintained through a rentier system, today it is more bound up with systems of acculturation and credentialization endemic to our notion of meritocracy. However, we should not presume that the system of land ownership endemic to the aristocratic societies Piketty focuses on in Austen’s and Balzac’s day has disappeared. Owen Jones reminds us that in the UK the “legacy of centuries of aristocratic power has not vanished, though: more than a third of English and Welsh land—and more than 50% of rural land—remains in the hands of just 36,000 aristocrats.”<sup>6</sup>

Such descriptions of the means by which the propertied classes, the landed elites, or the establishment maintain their power are, of course, not new. The writings of sociologists such as Thorstein Veblen and Pierre Bourdieu have long described how groups such as the leisure classes and the academic classes have worked to perpetuate privilege. Writing in 1899, Veblen already discerns an important distinction between the working classes and their industrial employments and the leisure classes and their pecuniary employments.

Both classes must follow disciplinary courses of “training” which take them off on “divergent lines.” The disciplines of the “pecuniary employments”—what sounds very much like the practices of the elite classes Piketty and Jones describe with their principal earnings coming from monetary funds, shares, and investments—are educated to “conserve and to cultivate certain of the predatory aptitudes and the predatory animus” (173). These divisions between the working classes and those engaged in “pecuniary employments” must be maintained by “educating those individuals and classes who are occupied with these employments and by *selectively repressing and eliminating* those individuals and lines of descent that are unfit in that respect [my emphasis]” (173). In his typically sardonic style, Veblen argues that in the relatively peaceful times of the 1890s, a peace we might share today, “it is of course the peacable range of predatory habits and aptitudes that is chiefly fostered by a life of acquisition” (173). In other words, “the pecuniary employments give proficiency in the general line of practices comprised under fraud, rather than in those that belong under the more archaic method of forcible seizure” (173). That these repressive, pecuniary, and possibly fraudulent practices may now have migrated to the new academic meritocracy would only then be necessary for the preservation of systems of privilege that rely on credentialization. The role credentialization and university-driven systems of meritocracy now play in supplementing what older forms of inheritance still pass on has never been clearer. This book examines how this aggravated form of social inequality is represented in different disciplines: sociology, literature, and government documents on education and rankings.

Despite these sociological descriptions of the new meritocratic age, Piketty’s point that there are no novelists writing today who fill their plots with estates valued at 30 million euros raises an important question. How then do novelists of the neo-liberal meritocratic age fill their plots with the privileges and inequalities perpetuated by the new social order that is built on university credentialization? In the next chapter, I examine how the work of W. G. Sebald and Roberto Bolaño can be regarded as challenging this university system. Are we willing to accept that any inequality based on credentials and merit gained through the education system, and specifically the elite university system, is fair? The obvious problem with the merit argument, one that Thomas Piketty, Kathleen Lynch, George Monbiot,

and many others question, is that even at the beginning of the process people do not start with equal opportunities; some people are a long way down the track before the starting gun is fired. Is a merit system strongly built on systems of credentialization from elite universities fair when, as Stiglitz points out, the for-profit university industry charges such excessive fees and requires that the less well-off students amass large debts?

Piketty also challenges the meritocracy argument because despite the overall rise in the percentage of lower-class and middle-class people gaining qualifications, even at elite institutions, the gap between the richest 1 per cent and the rest is still growing and the return on incomes is far lower than the return on investments and inherited wealth. However, it must also be noted that in the US the “wage premium—the gap between what employers are willing to pay for graduates as compared with those who do not have a postsecondary credential—is actually growing” (Merisotis 2014, 43) and that the median US family income by educational attainment of householder (1956–2011) was higher the higher the educational attainment. The gaps in income between the different attainment levels have kept growing over this 50-year period (Mortenson 2014, 23). However, Piketty argues that the “huge change in the social representation of inequality”—from the rentier system to the elite university meritocratic system—is in part justified but that it rests on a number of misunderstandings. For Piketty, it does not follow from this supposed acceptance of a meritocratic system that “society has become more meritocratic” (2014, 420). It also does not follow that “the share of national income going to labor has actually increased (as noted, it has not, in any substantial amount).” However, more important for educationalists is that Piketty argues that it “certainly does not follow that everyone has access to the same opportunities to acquire skills” (420). Piketty gives historical evidence to demonstrate that the advent of the meritocratic age, that would work its power through the universities, often did not even try to hide its attempts at “justifying the position of the winners” as a “matter of vital importance” (487). One might argue that this glorification of the “winner” is simply an aspect of neo-liberalism, a philosophy that most individuals and nations have subscribed to. The American writer David Foster Wallace describes this highly competitive “winner” mentality in US society with tragic humour in *Infinite Jest*: “Be constantly focused and

on alert: feral talent is its own set of expectations and can abandon you at any one of the detours of so-called normal American life at any time, so be *on guard* [emphasis in original]" (2014, 185). For Wallace, it has led to generations of US students who have "given themselves away to an ambitious competitive pursuit" to the extent that the anti-hero of *Infinite Jest*, a character named Hal, ends up "[l]ike most North Americans of his generation" knowing "way less about why he feels certain ways about the objects and pursuits he's devoted to than he does about the objects and pursuits themselves" (156). Feelings have been eradicated, as Michel Henry suggests, by this murder machine system of education, to borrow a phrase from Pádraig Pearse.

The reasons for this generational shift may also have much to do with a move away from educational values that were once privileged. Paul Verhaeghe describes how neo-liberalism departs from classical liberalism in ways that may not be apparent to everyone. Firstly, it has always been the case that throughout history economies have been embedded in religious, ethical, and social structures. However, this no longer applies in neo-liberalism. Second, whereas liberalism reacts to the excesses of the welfare state, "neo-liberalism seeks to turn society into a welfare state for banks and multinationals" (in Verhaeghe 2014, 114).

Such a philosophy seems to presume that whatever pertains to private individuals should be paid privately and not out of the public purse. This is most obvious in the competition for places at elite private universities. However, neo-liberalist philosophy simply raises the bar when it comes to policing cultural and social capital. David Robertson argues that whereas earlier periods, in response to political struggles and human capital considerations, combined "to compel an expansion of higher education," the age of globalization challenges that historical movement because "when the struggle for social equality [...] can no longer be resisted, ruling elites worldwide intensify reputational (and therefore social) differentiation between institutions" (Robertson 1998, 224). This is also not such a new phenomenon. Piketty reminds us that Emile Bourmy established Sciences Po in 1872 with the following clear mission in mind: "obliged to submit to the rule of the majority, the classes that call themselves the upper classes can preserve their political hegemony only by invoking the rights of the most capable. As traditional upper-class prerogatives crumble, the

wave of democracy will encounter a second rampart, built on eminently useful talents, superiority that commands prestige, and abilities of which society cannot sanely deprive itself" (487). As Thorstein Veblen reminds us, over 100 years ago in writing on "the higher learning" the university must promote, "the higher learning takes its character from the manner of life enforced on the group by the circumstances in which it is placed" (*The Higher Learning in America*, 2005, 3). We should therefore not be surprised if the university mimics the neo-liberalist philosophy that has allowed it to become the rankings-driven knowledge industry it is today.

Joseph Stiglitz compares the power associated with knowing how to "produce knowledge and information" to the "magnates" of the era of "cars and steel" (in Gary Hall *Digitize This Book!* 2008, 4). Antonio Negri and Michael Hardt extend this argument by claiming that if knowledge, information, and "communication [have] increasingly become the fabric of production" then the control over "networks of communication becomes an ever more central issue for political struggle" (in Hall 2008, 5). Universities are today, as never before, informers and often mediators of the "networks of communication." Thomas Piketty argues, in his proposal for greater equality, that "policies to encourage broader access to universities are indispensable and crucial in the long run, in the United States and elsewhere" (2014, 314). However, he acknowledges that desirable as such policies are, "they seem to have had limited impact on the explosion of the topmost incomes observed in the United States since 1980" (315). Piketty puts this down to two distinct phenomena that are related to university enrolments. The first is the fact that the "wage gap between college graduates and those who go no further than high school has increased" (315),<sup>7</sup> and the second is that the top 1 per cent (and even more the top 0.1 per cent)—a percentile that belong to the group of college graduates and in many cases is made up of "individuals who have pursued their studies at elite universities for many years" (315)—have seen their "remuneration take off." This makes Piketty's claim that the average salary of the parents of Harvard students is about \$450,000 less surprising. Since the top 1 per cent recognize the need to have hard-earned qualifications from elite institutions, it is no surprise that their students are found in large numbers in the elite universities.

This trend can be related to the two most persuasive theories for relating expansion in education to inequality, namely Maximally

Maintained Inequality (MMI) (Raftery and Hout 1993) and Effectively Maintained Inequality (EMI) (Lucas 2001, 2009). Educational expansion in itself is unlikely to reduce educational inequalities. MMI argues that those from more advantaged groups are better placed to take up the educational opportunities expansion brings with it and EMI argues that these groups are likely to acquire for themselves a qualitatively better kind of education at any given level simply because they can afford to do so. Quantitative inequalities will be maintained until the enrolment rate for the highest socioeconomic group has reached saturation point and qualitative access to more prestigious programmes will be "effectively maintained" once again by the higher socioeconomic groups that can afford them. This is evident in the university system where the minority of poor students at these elite US institutions have no option but to take out high-interest loans so that their lifestyle can in some way match that of their classmates over the minimum four-year period of their study. The UK government's tripling of student fees since 2012 has also burdened poorer UK families with spiralling debt and interest rates of up to 5.5 per cent.<sup>8</sup> Only wealthier families can afford to pay up front and even this proves difficult; of the £22.5 billion in student loans taken out since 2012, only £388.2 million has been paid off ahead of time. However, despite the loan system, Rowena Mason and Shiv Malik report that the UK government is facing a "fiscal time bomb" with write off costs of the student loans already reaching 45 per cent of the £10 billion in student loans made each year.<sup>9</sup> The UK university sector, however, is pushing the outsourcing of its business with the majority of registered UK students now living outside the UK. Once again, it is the poorer local students who are priced out of the market. The educational model our educational "powerhouses" employ has created a system where local taxes are channeled more and more into funding educational programmes for elite international students. It is also the less well-off students at these colleges who will take debts with them when they leave, not the top 1 per cent. Stiglitz reports that "on average, students at these for-profit US schools have 45 percent more debt than students at other schools. Almost one-quarter of those who received bachelor's degrees at for-profit schools in 2008 borrowed more than \$40,000, compared with 5 percent at public institutions and 14 percent at not-for-profit colleges" (2013, note 19, 469). Stiglitz also reports that indebtedness has increased markedly

over the past decade. Students who “earned a bachelor’s degree in 2008 borrowed 50 percent more, in inflation-adjusted dollars, than those who graduated in 1996” (note 19, 469).

Piketty also relates this new stage of credentialization of the very wealthy to university endowments. Since it is only the very wealthy who can meaningfully contribute to university endowments, endowments can often appear to work as little more than an insurance policy that one’s son or daughter is granted a place in the right institution. This rather unsavoury practice has been described for one top US university as the “Harvard Price.” The “price,” according to one right-wing publication, *The American Conservative*, is said to be \$5 million for an applicant who is “reasonably competitive” and \$10 million for an applicant who is not (Golden 2007). UK universities have also received many controversial endowments in recent years that reveal how the practice of for-profit universities can depart radically from the noble ideals of their mission statements and serve to promote the interests of profit-driven regimes that embody inequality.<sup>10</sup> It is a more complex version of the debenture system in elite expat schools in countries like Hong Kong and Singapore, where large monetary contributions to schools ensure that your children can attend.<sup>11</sup> Piketty uses the example of the higher returns that elite universities get on their larger endowments as an example to show that greater wealth in general produces larger returns. He focuses on the endowments of American universities over recent decades because he argues that these enable us to “gain a better understanding of unequal returns on capital without being distracted by issues of individual character” (447).

As we have seen, the top eight universities in terms of endowments are invariably Harvard, Yale, Princeton, Stanford, MIT, Columbia, Chicago, and Pennsylvania with endowments ranging from about \$30 billion to \$7 billion. Since many of the “for-profit schools” are “owned partly or largely by Wall Street firms” (Stiglitz 2013, 244), it is no surprise that the returns on endowments have been “extremely high” in recent decades. Piketty reminds us that the “higher we go in the endowment hierarchy, the more often we find” what are called “alternative investment strategies” (2014, 449). Ironically, one sought-after investment opportunity for both universities and professors at leading universities is student accommodation portfolios in the UK and the US, what is sold as part of the Coral Fund

Portfolio.<sup>12</sup> It is deeply ironic then that universities and professors are themselves often investing in the return on their own deeply indebted students' accommodation fees. However, these funds are sourced and monitored by highly skilled portfolio managers who are paid substantial six-figure salaries. Harvard itself gives nearly \$100 million (0.3 per cent of its endowment) a year to these highly skilled portfolio managers, who, as loyal alumni, direct their alma maters and emeritus professors to the right kind of alternative investment.

As we have seen, Ron Unz argues that Harvard is, in truth, one of the "world's largest hedge funds" with "some sort of school or college or something attached off to one side for tax reasons" (Unz 2012). It is also important to note that the percentage of students receiving financial aid at all nonprofit, non-profit, and public universities has increased over recent years. Eighty-two per cent of first-time, full-time students at public four-year colleges received aid for 2009–10 while the figure was 92 per cent at for-profit colleges. However, it is important to note that much of the aid comes in the form of student loans; 86 per cent of students at four-year for-profit colleges took out student loans in 2009–10. As we have seen, student loans are often part of the reason so many fail to graduate—only 28 per cent of first-time, full-time degree students at for-profit colleges who started college in 2004 had completed a bachelor's degree within six years according to the US Education Department's "The Condition of Education: 2012," (Fuller 2014). The income each year from tuition—roughly \$37,000 for each of Harvard's 6,600 new freshmen—amounts to something short of \$250 million. Income from tuition is therefore a mere "financial bagatelle" beside the endowment of approximately \$30 billion. The story of Harvard's salary bill is also revealing. Harvard's Division of Arts and Sciences—the central core of academic activity—also contains approximately 450 full professors. Their combined annual salaries tend to average higher than any other university in America. Each year, these "hundreds of great scholars and teachers" receive an aggregate total pay of around \$85 million. However, Unz (2012) also reminds us that, in the fiscal year 2004, the five top managers of the Harvard endowment fund alone shared a total compensation of \$78 million, an "amount which was also roughly 100 times the salary of Harvard's own president." As Unz argues, these figures clearly "demonstrate

the relative importance accorded to the financial and academic sides of Harvard's activities."

Students and parents paying high fees for elite non-profit, public, and for-profit universities know there is no option but to continue greasing the wheels of an industry that has for so long contributed to Wall Street firms dealing in the "mortgage-derivatives market or the international cost-of-funds index" (Unz, 2012). These firms were often responsible for much of the hardship families experienced through foreclosures and bankruptcies during the global financial crisis. This crisis has in turn led to universities becoming more selective in recent years, thus further raising costs for students. However, it is endowments, built on Wall Street alternative investments, that account for the bulk of the prosperity of the most prestigious universities, with alumni gifts only accounting for "one-tenth to one-fifth of the annual return on endowment" (Piketty, 2014, 451).

## **Adaptation**

Sigal Alon has argued that social class has a "direct and persisting impact on enrolment and access to selective postsecondary schooling" (2009, 749). Students from low socioeconomic strata are at a marked disadvantage in access to postsecondary education. Alon argues that this inequality increases with college selectivity. Raftery and Hout's 1993 study on MMI also makes the point that when education is highly selective, as it is at all the top schools and universities, as a general principle, to "try and advance merit and retract class advantages as a basis of selection in a system that remains highly selective is likely to rankle too many entrenched interests" (60). The important point that Alon makes in relation to this inequality is that the increased inequality does not work through exclusion—which is universal since all applicants are made to take the same tests—but through *adaptation*. Adaptation describes the process whereby the privileged adapt to the changing closure rules. This in turn creates a polarization of resources and amplifies the class divide. In other words, the privileged pay for access to the information sources that influence and predict how new selection processes are to be managed and designed. Adaptation is, for Alon, the "cornerstone to building a comprehensive theory regarding the evolution of inequality" (749). Alon argues that the privileged "devote considerable effort to cultivating

their own stock of the currencies required for entry into lucrative positions" (750). Mitchell L. Stevens argues that the selective college admissions system plays a central role in guiding these processes of adaptation. For the affluent upper-middle-class parents who predominantly send their sons and daughters to these elite colleges, the "transition from high school to college is a seamless web of interdependencies" (247). From 1870 to 1930 academic leaders in the US "secured a central role for their institutions in the arbitration of social distinction" (246). Stevens argues: "[j]ust why scholars of higher education have so long ignored the consequences of this ceremony for the organization of childhood and family life is a sobering question" (248).

As Raftery and Hout remind us, when the competition is great and schools are highly selective it is highly unlikely that privileges will be given up easily. The failure of the underprivileged to keep pace creates a "remarkable class-based polarization in the level of test scores" which, in turn, "intensifies and expedites the formation of inequality" (750). Alon argues that this has resulted in more people seeking to "acquire even higher educational credentials, fueling a continuous escalation in educational status" (750). This system is nowhere more evident than in Asian metropolitan centres with high concentrations of universities. Adaptation rituals for students in the international schools and expensive English Schools Foundation (ESF) schools in Hong Kong that are key feeder schools for elite universities internationally see families invest hundreds of thousands of dollars on extracurricular activities deemed important for university admissions interviews. I will discuss the Hong Kong region as a case study for the academic industry in Asia in chapter 6.

As I will discuss in chapter 5, the rankings agenda is based on the notion of an idealized and optimum university. The top university of the future, and hence the top student, can be as exclusive as the will to believe in this ideal is strong or well-endowed. The rankings system prides itself on its scientific objectivity and yet the ideal university it posits as a target for all institutions worldwide is an impossible ideal. Rankings criteria lead to ever more competitive tests for all institutions where university Presidents compare rankings tables to medals tables. Is it any wonder that in the "current meritocracy" our students inhabit rules by "testocratic merit" where "easily measurable criteria award status to individuals" (Guinier 2015, 27)? Alon argues that these practices, that are fuelled by the belief in such an

ideal, “pose a threat to equality of educational opportunity” (751) and “carry devastating implications for the ethos and operation of meritocracy in higher education, diverting it from being the great American equalizer” (750).

## Social inequality and educational inequality

The relationship between social inequalities and educational inequalities has been well examined in the European context (Bourdieu and Passeron 1977; Lynch 2010; Lynch and Baker 2005; van der Velden and Smyth 2011). Pierre Bourdieu and Jean-Claude Passeron’s research on reproduction in pedagogic work highlighted how education can forge links between social inequality and educational inequality. Pedagogic work (PW) is capable of “perpetuating the arbitrary it inculcates more lastingly than political coercion” (1977, 33). Recent work on the university in Europe has also developed Bourdieu’s critique of education. Rolf van der Velden and Emer Smyth argue that the elites “continue to play an important role *within* mass higher education in many countries, based on stratified higher education, protected labour market positions, or both” (2011, 135, emphasis in original). John Major, the former Conservative Prime Minister, has also recently spoken out in regard to the “truly shocking” privilege of the privately educated elite in UK society (Foot 2013). Recent studies on university spending in developing countries also reveal that increased spending at the tertiary level relative to spending at primary level—what is called the “tertiary tilt”—means that high primary enrolments will be associated with *higher* Gini coefficients a decade on, and thus greater inequality. The global incentive to enter the knowledge industry race is therefore holding back developing countries. Gruber and Kosack argue that this is because the “politically constrained policymakers who govern developing countries have a strong interest in protecting the earnings of elite university graduates, the vast majority of whom come from wealthy families whose political support these leaders need to stay in power” (Gruber and Kosack 2014, 262).

Bourdieu’s reading of the university, in terms of the perpetuation of a cultural arbitrary that acts as a safeguard for forms of hierarchization, has a new element to contend with in the current age of mass education, where tertiary education is so popularized that it is no longer a sufficient condition for success. To “guarantee excellence

or ... to protect privileges of the in-group against outsiders," entry to many professions is now made difficult through a set of complex and demanding criteria that is nonetheless more easily deciphered and controlled in the age of the social network (van der Velden and Smyth 2011, 136). Prestigious educational affiliations, which Lynch, Bourdieu, Oleksienco, and others demonstrate are clearly now principally the possession of the wealthiest, can be displayed alongside other exclusive memberships that substantiate a candidate's further cultural capital to ensure that such capital and credentialization are easily channeled into a suitable employment class. The educational system plays an important role in perpetuating broader inequalities in society (Bourdieu and Passeron 1977), but by corollary, there is also an important connection in society between the promotion and privileging of social responsibility in government policy and the nurturing of social responsibility in the practice of that society's educational policy.

## **Education and soft power**

The ordering of society through credentialization, the conferment of honours related to knowledge acquisition, and academic prestige might be described as a form of soft power. It also relates to the Foucauldian notion of infrapower. The far-reaching connections that Foucault privileges between knowledge, information, and power that are "not just superimposed on the relations of production," as many claim for ideologies, "but are deeply rooted in what constitutes them," are most fully realized and enforced by what he calls "infrapower" (*Power* 87). This is found in the "whole set of little powers, of little institutions" that must be put in place, he argues, as a "prior condition of hyperprofit" so that it can then begin to function and give rise to a "series of knowledges—a knowledge of the individual, of normalization, a corrective knowledge" (87). This cultural materialist schematization of power may sound somewhat old-school; however, given that today's most lucrative national knowledge industries, namely the US and the UK, have long been described as educational "powerhouses," it makes sense to examine how the micro-management of this most fundamental of power relations, that between knowledge and the "things that knowledge must know," is disseminated by universities and whether novelists have responded to this (9).

Foucault takes from Nietzsche the idea that this knowledge relationship, one we might rephrase today as one between knowledge and the things knowledge must *grow*, one that educational powerhouses are embroiled in through the circular rubrics of rankings regulations, cannot be one of “natural continuity”. It must be one of “violation” and “violence” that also disrupts the “unity of the subject” that was once “ensured by the unbroken continuity running from desire to knowledge” (10). It recalls Benjamin’s account of positive barbarism. In other words, the violence that these systems of power—the new educational “powerhouses”—exert on the “unity of the subject” or on what the Belgian psychologist Paul Verhaeghe refers to in his new book (*What About Me? The Struggle for Identity in a Market-based Society*) as identity is hugely influential for how we internalize the values and worldviews these systems of credentialization uphold. Verhaeghe also reminds us that identity and identification have the same etymology, deriving from *idem*, Latin for “equal” (11); therefore identity is strongly motivated by feelings that we *should* be equal to some peer group or even to some elite group. However, the corollary of this is that our understanding of our identity takes a beating when we do not manage to match up to the standards this system sets us. We begin to act and think like rankings bodies; a person is measured by where he or she studied and what he or she studied. While this violence at the subjective level was always primarily an ontological and philosophical notion for Foucault and Nietzsche, today in the age of the economist kings it is more than ever described in terms of a lived socioeconomic reality and represented as a form of economic violence that is no less violent in now being principally economic.

## Rankings and the meaning of merit

Michael Sauder and Wendy Nelson Espeland’s (2009a, 2009b) work extends these readings of Foucault and power in regard to knowledge and the university to the discipline of rankings. They examine the organizational responses of universities and colleges, and specifically law schools, to rankings. They investigate why these rubrics have “permeated law schools” so extensively and why these institutions have been unable to “buffer these institutional pressures.” They pay particular attention to Foucault’s notions of surveillance and normalization in arguing that these are strategies employed by rankings bodies in order to get universities to internalize rankings criteria.

They argue that rankings have inaugurated a unique set of “public measures of performance” for organizations that are almost impossible to buffer against. In the end, the schools and universities are encouraged to self-impose the discipline that rankings foster (64). One of the reasons for the organizational “tight coupling” and for the inability of the institution to buffer itself in relation to the rankings criteria is that members, both individual universities and faculty, display a strong “capacity to *internalize* external pressures, whether because of the anxiety they produce or the allure they possess” (2009a: 65). Sauder and Espeland also recognize that the coupling is strong and the anxiety levels are high because of the “evolving responses of an assortment of actors who struggle to reconcile their sense of themselves as professional educators with an imposed market-based logic of accountability” (2009a: 66).

It is most likely that this struggle is greater the further the discipline is from understanding or indeed espousing a market-based logic of accountability. Therefore, a theology or philosophy professor may find the struggle more alien than an economics or business professor. In returning to Foucault, however, Sauder and Espeland remind us of how Foucault argues that:

In discipline, the elements are interchangeable, since each is defined by the place it occupies in a series, and by the gap that separates it from the others. The unit is, therefore, neither the territory (unit of domination), nor the place (unit of resistance), but the *rank*: the place one occupies in a classification, the point at which a line and a column intersect, the interval in a series of intervals that one may traverse one after the other. (in Espeland and Sauder, 69: Foucault 1977, 145–6)

Academics and, in turn, students therefore become the objects of particular kinds of knowledge, and in this case, it is rankings knowledge that is the driver. Faculty become intervals in a grid, spaces in a system of classification that then decides their futures. As Verhaeghe argues, in the neo-liberal meritocratic system that the education system has become, meritocracy has become a form of exclusion and a form of perpetuating an elitist status quo. Universities follow the lead of rankings bodies that employ a “rigid top-down approach to quality that stifles individual initiative” (2014, 169); “autonomy and

individual control vanish, to be replaced by quantitative evaluations, performance interviews, and audits" (169).

It is also important that such rankings charts construct an "abstract, ideal law school [or university] comprised of discrete, integrated components" (74); this ideal that the university and the knowledge businesses construct and then enforce on all educators and institutions is reminiscent of the Hegelian Absolute, what Marx described as an anomaly, an ideal that sets itself up as a new reality for the sake of forms of hierarchy and exclusion. In his famous critique of Hegel in his *Critique of Hegel's Doctrine of the State* Marx decries an homage to ideals and concepts removed from reality that is as relevant today as it was in the middle of the nineteenth century: "the appearance is created that there is an idea over and above the organism" (66). Today this idea is more than ever a meritocratic ideal. Marx argues that "Hegel's sole concern is simply to re-discover 'the Idea,' the 'logical Idea,' in every sphere, whether it be the state or nature, whereas the real subjects, in this case the 'political constitution,' are reduced to mere *names* of the Idea" (67). Fate becomes predestined also, by the "nature of the concept" (70). Therefore, the meritocratic ideal that the knowledge industry has concocted is the latest version of the Hegelian Ideal. It is then, if we follow Marx, bound up with the practice of belief and with the kind of structures of becoming and states of institutionalization that Marx challenged in such belief systems as the religion of his day. In a secular age, what Charles Taylor calls our age, meritocracy is then a substitute for religion; we might have lost our faith but the form remains. The meritocratic ideal and its accompanying notion of true merit that, following Nietzsche, we align with our contemporary Ivy League or Oxbridge graduates are then as illusionary as the beautiful or the good. As Nietzsche reminds us, "the beautiful and the ugly [and to be truly credentialized is the true beauty and good of today] are recognized as *relative* to our most fundamental values of preservation. It is senseless to want to posit anything as beautiful or ugly apart from this [...] In every case it is a question of the conditions of preservation of a certain type of man" (Nietzsche, *The Will To Power*, 1968, 423). To strive for a sense of true merit in education, or to believe that such a thing exists, is as "senseless" as positing "anything as beautiful or ugly" apart from these standards and practices of preservation (423). Our capacity and susceptibility for belief have been harnessed to the meritocratic ideal of the knowledge

industry. While it has long been acknowledged that Information is the new God, the information disseminators—the universities—have of course been much slower to describe their new roles as anything like disseminators of the Good News.

Espeland and Sauder are also quick to acknowledge that resistance is only part of the compulsory organizational workings of discipline in institutions. Therefore, universities, academics, and students alike who cling to some notion of academic identity by way of a gentle resistance to rankings become motivated by anxiety. This recalls Zygmunt Bauman's notion of risk that is integral to our age where identity has become a "task" with numerous checks and balances and rigorous monitoring systems. Espeland and Sauder argue that "[r]ankings create a public, stable system of stratification comprised of unstable positions. The result is a social structure exquisitely suited for generating anxiety, uncertainty, meticulous monitoring, and discipline. Processes of normalization and surveillance change how members make sense of their organizations, their work, and their relations to peers" (2009a: 79). However, in borrowing from Foucault, Espeland and Sauder argue that Foucault's approach is limited for today's knowledge industry by the fact that he focuses on "individuals as the locus of discipline" and therefore neglected the "organizational dimensions of discipline" (80). However, it is of course relatively easy to apply Foucault's description of power to the actions of institutions such as corporations, especially given the fact that, legally, corporations are regarded as individuals.

Rankings have become the "driver and rationale for significant restructuring" of universities and the "means by which success and failure are gauged" (Hazelkorn 2010, 22; see also Aghion et al. 2007; Ritzen 2010). Ellen Hazelkorn describes the ideal rankings university by way of the moniker "emerging global model" (EGM). She argues that this is the model of the future, one that emerges straight out of the rankings criteria. She admits that "while widening participation remains a policy priority," the "emphasis has shifted from getting more students into school to quality and excellence" (27) or to what is called "selective investment and greater concentration of research" (Marginson 2007). What emerges therefore is a discussion that tries to paper over the obvious "conflict between equality and excellence" (Berger 2009; Flynn 2010). Wendy Espeland and Michael Sauder also argue that rankings (and in their case they focus on *U.S. News & World*

*Report* (USN) rankings for law schools in the US) “subtly, powerfully, and enduringly shape perceptions of ability and achievement” because they influence “organizational decisions such as whom to admit or hire” (Espeland and Sauder 2009b: 588). Their study is also important for the sense of inequality that Piketty describes in society. Piketty argues that university credentials and academic qualifications are often accepted as societal structures that perpetuate forms of inequality because they are grounded on a belief in meritocracy, i.e. this form of social stratification that grounds social inequalities is regarded as more acceptable than earlier forms of stratification based on the rentier system because they are based on merit. However, Espeland and Sauder argue that the kinds of standardized tests that the colleges they examined base their admission procedures on, admission policies that are then used in rankings criteria for the rankings bodies, employ a “highly restrictive form of merit” (2009b: 588). They also argue that the notion of “diversity” has “increasingly supplanted language about rights or redressing racial, gender, or economic inequality” (2009b: 591). This therefore suggests that it is timely, in response to Piketty’s, Stiglitz’s and Wilkinson and Pickett’s studies on inequality, that we return to an examination of university admissions policies and their reliance on rankings and the forms of “merit” that this reliance promotes through a discussion of economic inequality.

Amartya Sen reminds us that there are two main ways of describing merit and systems of rewarding it. These are the incentive-based approach and the action propriety approach. Incentive-based systems reward actions for the good they do and the remuneration of the activities that generate good consequences tends to produce a better society (2000, 8). Action propriety models, on the other hand, reward the intrinsic quality of such actions. One of the main problems Sen perceives in regard to recent meritocratic systems is that “what are often taken to be ‘meritocratic’ demands have moved, in many ways, so far away from their incentive-based justification that they can scarcely be defended on the classic incentive grounds” (14). The objectives of actions deemed worthy of merit are often “biased toward the interests of more fortunate groups” (14). This is very much the case for Alon and Stevens in their studies of academic college selection procedures. Since merit is a “hypothetical imperative” contingent on what is the preferred view of the good society, merit’s relationship with economic inequality depends very much “on whether

an aversion to economic inequality is included in the objective function of the society" (14). Since our societies are experiencing aggressive levels of economic inequality, it is clear that economic equality is not of great interest to our societies. Therefore, perhaps we should not be so surprised if the meritocratic models of our universities employ objectives that appear to be biased towards the interests of more fortunate groups. However, if our systems of meritocracy become so divorced from the action propriety model that they simply reward entitlement, our society will lose the vocabulary that enables us to distinguish practices of civilization from those of barbarism.

Descriptions of merit are driven by a society's prevailing "success narrative." As Piketty suggests in his readings of Austen and Balzac, novelists can help us to reimagine the prevailing "success narrative." The kinds of futures we project onto our students in classes are a direct reflection of the kinds of futures we imagine as real possibilities. By introducing students to works of art and specifically to the imaginative works of writers and novelists, they can begin to find the cognitive space for reimagining their own success narratives. It must also be noted that rankings are changing our understanding of merit. In their interviews with hundreds of admissions staff at law schools, Espeland and Sauder discovered that "nearly all admissions staff reported that rankings had dramatically 'changed admissions,' and one reason why they resent rankings so deeply [...] is because they see rankings as constraining their discretion to admit deserving students" (597). They admit that the more emphasis law schools, for example, place on "test scores" in their admissions—what drives their rankings score—"the more costly it seems to admit racially and economically diverse students" (2009b: 599). They argue that some groups cannot be well represented in law schools "unless race or class is considered or a more expansive notion of merit is adapted" (600). They point out that both the scholarly literature and their interviews reveal that "'merit' is narrowly defined by test scores, or, to a lesser extent, grade averages" and therefore certain minority groups, and also majority groups such as the less well-off or the poor and lower middle classes, will need "some form of preference to ensure they are admitted in meaningful numbers" (2009b: 601). Because they believe it is clear that "rankings generally reinforce the advantage of schools with privileged statuses and plentiful resources" (607), one way to

offset this tendency is to get rankings bodies to include diversity (which includes racial, gender, *and* socioeconomic diversity) as part of its overall ranking and not simply as a separate indicator, which is generally the case today. They argue that we simply must learn to change the “success narrative” (608) and it is writers and novelists who are most gifted at enabling us to reimagine the “success narratives” that we pass on to the next generation.

Paul Verhaeghe has argued that the reason our “success narratives” and our understanding of merit are so restrictive today is a direct result of the neo-liberal system. Verhaeghe argues that despite the fact that meritocracy was a fairly unknown word until recently, even the Bible has its meritocratic parable about the talents being doubled when someone works hard and does not bury them in the ground (Matthew 25: 14–30). The argument is that power (*kratos*) is merited through effort. Verhaeghe argues that two kinds of meritocracy developed, one in Europe that he describes as an educational meritocracy that was tied in with greater social mobility and the welfare state in places such as the UK. In America, however, the rags to riches stories were the basis of the meritocratic narratives that went to build the notion of the American dream. It is related to “negative liberty” and it essentially means that the “individual may not be hampered by others, least of all by a paternalistic state” (2014, 116). This has typically been regarded, Verhaeghe argues, from an economic perspective where there is to be “no state intervention in business” (116). Verhaeghe believes that the European system was more political in holding that “a state should not impose ideologies on its people” (116). However, Verhaeghe argues that what has happened in neo-liberal society is that the two meritocratic narratives have merged to the extent that “intellectual achievements without economic added value are regarded as largely worthless” (116).

Moral value and human value are also determined more and more by economic success. Verhaeghe argues that this neo-liberal merging of educational and economic meritocracy has brought about a “turning point”; in no time social mobility has ground to a halt in the developed world and the social divide, or inequality, as Piketty, Stiglitz, and others have argued, has become greater (117). Verhaeghe even argues that this has led to freedom making way for “general paranoia” (117). What has transpired is that meritocracy has given rise to a “new elite, who carefully shut the door on those coming

up behind them" (117). Of course, this is not a new phenomenon even though it has led to elite groups becoming more imaginative in regard to how their status is to be protected. Right-wing apologists tell us that capital will always find new ways of putting itself beyond government sanction. The right-wing blogger and columnist Paul Staines argues: "We've had nearly a century of universal suffrage now, and what happens is capital finds ways to protect itself from, you know, the voters".<sup>13</sup> This kind of sentiment, of course, carries on a tradition of fearmongering among the upper classes that recalls the words of the Conservative statesman Lord Salisbury to Parliament in the UK in 1866 in response to the question of extending the vote to the working classes: "I have heard much on the subject of the working classes in this house which, I confess, has filled me with feelings of some apprehension." Giving working-class people the vote would, he stated, tempt them to pass "laws with respect to taxation and property especially favourable to them, and therefore dangerous to all other classes."<sup>14</sup> It is incredible to think that such a philosophy might still exist in the developed world in regard to the granting of universal suffrage. However, this turned out to be the case in Hong Kong when the Beijing-appointed Chief Executive of Hong Kong, Leung Chun-ying, argued during the recent Umbrella Revolution that it was "unacceptable to allow his successors to be chosen in open elections, in part because doing so would risk giving poorer residents a dominant voice in politics" (Bradsher and Buckley 2014).

Verhaeghe's prognosis for such a meritocratic system that "rewards the most intelligent and industrious" and "punishes the rest" is that it soon "becomes toxic to its citizens" and ends in chaos and revolution. The merging of an educational and economic meritocracy might sound democratic in spirit; however, one quickly realizes that not everyone starts from the same position in this race. Not everyone is born into a family that equally respects education and learning and it goes without saying that it is impossible to ensure equal starting positions when it comes to economic meritocracy. However, as Verhaeghe and Piketty suggest, "the two best starting positions often coincide: a wealthy background usually goes hand in hand with a good education" (119). After an initial period of raised living standards for all, such systems eventually descend into reactionary and restrictive regimes for perpetuating forms of elitism. Verhaeghe even argues that it becomes an essentially social Darwinist system

where the “best get precedence and the rest are selectively removed” (2014, 119). Verhaeghe argues that such meritocratic systems create a version of who is “naturally” the best and who is the “fittest” by essentially determining how merit and being the fittest are to be measured. They create an “increasingly narrow version of reality” while claiming that they “promote ‘natural’ winners.” They preserve that “reality” by “systematically favouring those winners” (120). Verhaeghe describes this as a kind of reification where on the basis of “figures” and “rankings” decisions are made over people’s heads and these “figures” then create the reality on which they are supposedly based (122). As we have seen, this notion of reification is perhaps at its strongest in the rankings systems used in the university.

If we look more closely at rankings we can see that they increase selectivity, influence institutional management, and perpetuate educational inequality. University rankings use very different criteria to secondary school rankings scores like PISA. In fact, rankings have very little to do with the academic performance of the students themselves. It might be argued that if the academic performance of any group is important for the rankings of national education institutions at the university level, it is the academic performance of the teachers and professors, not the students. Hazelkorn argues that in recent years we have witnessed the “growth of a worldwide rankings industry” (2010, 45). There are six major types of rankings and there are also now international guidelines on the “principles of ranking” (the *Berlin Principles of Ranking of Higher Education Institutions* that was adopted in 2006). There are national, supra-national (the European Commission’s *U-Multirank*), and international rankings that are conducted by private commercial media organizations, governments, and think tanks. Hazelkorn breaks down the various criteria of the different rankings bodies into the following major categories and sub-categories: Beginning Characteristics (e.g. Student entry scores and % of international students), Learning Inputs-Faculty (e.g. Faculty/ Student ratio), Learning Inputs-Resources (e.g. Budget, physical resources, library volumes), Learning Environment (e.g. Student satisfaction), Learning Outputs (e.g. Graduation or completion rates), Final Outcomes (e.g. Employability), Research (e.g. Publications and outputs), and Reputation (e.g. Peer and stakeholder esteem) (60). Many of these categories are obviously weighted towards institutions with money and large endowments. Performing well in rankings, in

turn, brings in more money from governments and philanthropists who always want to have the buildings they name in pre-eminent institutions. It should also be remembered that US universities, unlike typical private foundations, are not legally required to spend 5 per cent of their assets on charitable activities and therefore the wealthier institutions can keep all the money they make from investments. For example, the *de minimis* educational activities of for-profit industries or hedge funds like Harvard bring enormous tax advantages. Ron Unz argues that since Harvard's endowment is now back over \$30 billion the legally required contribution of 5 per cent for private institutions to give back would come to around \$1.5 billion annually. This is many times the total amount of undergraduate tuition, which should arguably be eliminated, thereby removing a substantial financial barrier to enrolment or even application at top universities like Harvard.

It quickly becomes apparent that the OECD PISA rankings system and the different university rankings systems are very different beasts. While it can still be claimed that the PISA secondary school rankings primarily rank the achievements of the students, this was never the case for university rankings. As the leading universities operate more and more for the benefit of their hedge funds, and since tuition brings in so little in terms of the annual budget of these institutions, it would of course seem odd to rank these institutions solely on educational criteria. Since Mitchell L. Stevens has argued that the elite colleges and universities generally favour wealthier students, it is also worth examining how rankings criteria might favour wealthy *institutions* by looking more closely at Hazelkorn's six main categories. If a university is to score well on Beginning Characteristics (Student entry scores and % of international students) and if it, like most universities, has a student population made up predominantly of local or national students, then it simply has to be selective and limit the number of places available. This is how the university system works, for example, in Hong Kong and Singapore. There are strong controls on the numbers of students accepted on each programme in the top universities. Also, if universities want to have a high percentage of international students and they do not have the reputation of a Harvard or an Oxford, then the only option is also to keep the number of local students low. Internationalization can then be a key factor in keeping down the numbers of local

students. Jeroen Huisman and Marijk Van Der Wende paint a less than benevolent picture of the motivations for internationalization and what they call in their context, Europeanization, in educational policy. They read between the lines of the 1992 Maastricht Treaty in arguing that “whereas higher education was previously accredited a national and cultural role, the economic rationale became more and more important” (2004). They argue that it was recognized that “national views on the role of higher education gradually grew closer—not necessarily intentionally—to the EC’s perspective.” The reason for this was not always grounded on the founding humanistic principles of Bologna University. Huisman and Van der Wende argue that “the economic rationale became even more dominant in the context of globalization where the market for transnational supply [in education] was estimated to have an annual value of 30 billion US dollars in 1999 and expected to be a growth market” (22). They argue that even though “large amounts of financial support were given for research and development projects” the “supranational support was negligible compared to the national support for research.” It was at the level of “individual higher education institutions” that EC support was often “quite substantial” (352). This might explain the greater degree of freedom evident in arts and humanities programmes in many universities in Europe since the 1990s with more course choices being offered than ever before.

Hazelkorn’s next principal category—Student/Faculty ratio—makes it clear that universities must also ensure that the number of students is kept within strict limits. If the university wants a high number of international staff and it is not a Harvard or an Oxford it will need to attract foreign academics. The category Learning Inputs-Resources is also strongly weighted towards those universities with big endowments. Annual subscriptions to journals and research databases are extremely expensive. John Willinsky argues in *The Access Principle* that “[a]lthough it may seem that a vast, rich world of information is now within a click or two of most connected computers, the toll gates that surround the carefully reviewed and well-financed information constituted by scholarly research have grown more expensive and restrictive, even as many pockets of open access have emerged” (2006, 126). It should not be surprising that as our definition of merit gets more restrictive—based as it is on rankings criteria—so access to the information and scholarly research that feed this notion

of merit is also becoming more restrictive. However, due to reports such as the Finch Report in the UK from 2012 wider access at least to government-funded research does appear to be on the horizon. I discuss this in more detail in chapter 5.

Learning Outputs (graduation or completion rates) also means that student numbers, especially in the arts, must be kept to a minimum, since, as Joseph Stiglitz informs us in regard to US students, arts students are notorious for dropping out. Almost 80 per cent of first bachelor degree students at for-profit universities in the US do not complete their studies. Final Outcomes (employability) is an interesting category since it also pressures universities into taking only those students who are employable. The safest option for a university is then to select students from families who are in the upper percentiles in terms of income since working-class students are more likely to end up unemployed. Research and reputation also depend very much on the reputations of faculty. The spate of celebrity hirings before the GFC (Global Financial Crisis) of academics such as Niall Ferguson<sup>15</sup> and Simon Schama and of Nobel Laureates demonstrates that reputation is expensive. It is clear that the rankings are always likely to pressurize universities into being cost-effective. Educational philosophy comes after the fact when the rankings criteria have been adhered to in the most cost-effective manner.

The rankings ideal is grounded on the US model of the liberal arts university that owes much to the "American dream." However it is a dream that has become weighed down by the burden of its own endowments. Surely a better dream in an era of aggressive inequality would be one where strong national university rankings are accompanied by, or are built on, an educational philosophy that strives for less income inequality and greater social mobility? If not, then we simply have to accept that income equality will always be inversely proportional to educational achievement at the national university level. Must we accept the Kuznets hypothesis according to which development (which brings educational prestige) must have a U-shaped relationship with inequality? It is what the policies of our national education "powerhouses" are presuming in privileging the criteria and requirements of rankings institutions. In applying psychological notions such as "reactivity" and "reflexivity," Espeland and Sauder (2007) have argued that over time higher education institutions are gradually transformed into "entities that conform

more closely to the criteria used to construct rankings," that they are ultimately moulded and shaped by the "contaminating influence of measurements on their target object" (Espeland and Sauder 2007, 6). John Garvey also notes that "powerful market and regulatory norms" have pushed, in their case, "law schools toward uniformity" (in Espeland and Sauder 2009b: 603). However, a university is not, and never should be, synonymous with a rankings body. A university, if we are to follow educationalists and philosophers like John Henry Newman and Immanuel Kant, must inspire engaged critical debate and a striving for the imaginative and inquisitive embrace of all that is finest about humanity. It cannot be an institution whose philosophy is grounded on the disengaged financial meritocracy of rankings criteria. If this is what our universities become, then they will lose the creative, emotionally engaged, and inspiring students that have always spoken out on behalf of universities, and that still speak out on the streets of Hong Kong and Santiago for the values they want their universities to uphold. If universities lose this kind of student then true education will be found elsewhere. An educational philosophy grounded in values integral to the humanities has been replaced by a business model drawn up by rankings bodies and these have not yet been able to concoct a persuasive educational philosophy on which to ground this enslavement to rankings.

Another reason for the disconnect between secondary school education and university education at the national level in terms of how universities rank internationally is the difference between levels of public and private expenditure in each nation studied. In Norway, the most equal of the countries that Blanden et al. (2005) studied, almost all (97.8 per cent) spending on school education is public expenditure. In contrast, in the USA, the least equal of this group of eight countries, only about two-thirds (68.2 per cent) of the spending on school education is public money. Therefore, as Wilkinson and Pickett argue, this is likely to "have a substantial impact on social differences in access to higher education" (161). Even taking into account the relatively large number of students on financial aid in the form of student loans, recent reports reveal that there is a significantly lower number of students from low-income families—in some regions in the OECD countries students from affluent neighbourhoods are more than six times more likely to go on to third-level education<sup>16</sup>—at the elite institutions and that the top

institutions are predominantly catering for the better-off.<sup>17</sup> Student debt is another feature of the for-profit private university system in the US that clearly influences social differences in access to higher education. Joseph Stiglitz reminds us that when the bankruptcy law changed in the US in 2005 it “made it impossible for students to discharge their student debts even in bankruptcy” (2013, 244). He argues that this “eviscerates any incentives for banks, and the for-profit schools that they work with, to provide an education that will yield a return. Even if the education is worthless, the borrower is still on the hook” (244). Stiglitz refers to this arrangement between the for-profit schools and the for-profit banks as a “conspiracy,” a conspiracy students are never warned about. This is all the more unsettling when we remember that many of the “for-profit schools” are “owned partly or largely by Wall Street firms” (244). Stiglitz also blames the government; he says that it wasn’t “as if the government was trying to regulate a private industry that was seemingly doing well on its own” since the “for-profit schools existed largely because of the federal government” (245). The for-profit education sector which is worth \$30 billion a year in the US receives as much as 90 per cent of its revenue from federal student loan programmes and federal aid. So the loans are provided at high interest rates by the government to students, 80 per cent of whom do not graduate (244), and then students are “locked in” for the rest of their lives—thanks to the government’s 2005 bankruptcy law—with the vast majority of them never reaping the “real financial rewards of education” that come only upon completion of the degree programmes. Given the already low social mobility figures in the US, this can only mean that there is an intergenerational debt burden that will either price children of indebted graduates out of the education market or lead them to run up further debts at higher rates. Tamar Lewin reminds us that US students who earned a bachelors’s degree in 2008 borrowed 50 per cent more, in inflation-adjusted dollars, than those who graduated in 1996 (Lewin 2011). Despite the fact that this is an educational system that emerged out of the political climate that gave us the American dream, is it a system that we should follow even if its universities do consistently top the rankings tables?

This, in turn, suggests that university rankings are in fact a good indicator of greater social *inequality* in a specific country. The percentage of universities in the top 30 that are found in countries with

high income inequality is 80 per cent. In the latest QS Rankings only 8 of the top 30 universities are outside the US and the UK. Two of these are Swiss universities, two are Canadian, and Singapore, Hong Kong, Australia, and France have one each. None of the countries that scored high in terms of social mobility and income equality, apart from Canada, feature in the top 30. Hong Kong and Singapore also have extremely high Gini coefficients. High rankings for a country's universities seem to ensure high income inequality. However, because the academic industry is a global industry, the pressure to perform well in rankings and to therefore invest in tertiary education has been found to contribute to greater inequality for developing countries. Lloyd Gruber and Stephen Kosack find that in the case of a "tertiary tilt" in a developing country—where educational resources are concentrated on students in higher education and not in primary education—"higher primary enrollment is associated with higher future inequality" (2014, 258). Elites benefit more when a "government concentrates its limited education resources on restrictive upper levels of education" (259). Therefore, the competition that rankings create is not only leading to the "perpetuation of inequality" in education powerhouses like the US and the UK but it is also contributing to greater inequality in developing countries. The ethos of rankings is one that tells governments that if you wish to attract students to top-ranking national universities you must give up the idea of public funding and seek private funding and also be prepared to accept greater income inequality and less social mobility.

### **Wider social implications of inequality**

Inequality also has wider implications for society as Richard Wilkinson and Kate Pickett reveal in their book *The Spirit Level: Why Equality is Better for Everyone* (2010). Like Piketty, the authors acknowledge the central role education plays in perpetuating inequalities. They argue that education is "generally thought of as the main engine of social mobility in modern democracies" (161). Their research also argues that "[p]eople with more education earn more, are more satisfied with their work and leisure time, are less likely to be unemployed, more likely to be healthy, less likely to be criminals, more likely to volunteer their time and vote in elections" (103). The biggest influence on educational attainment is family background.

No matter how good the school system it seems that disadvantaged children do less well at school. As Kathleen Lynch argues, it is therefore equality of conditions not only equality of opportunity that will allow disadvantaged children to perform better. Lynch's recent work on inequalities in education does note, however, in reference to Pierre Bourdieu, that inequalities that exist in Irish and European society have a direct impact on "lower rates of attainment among students from low-income backgrounds"; "[t]heir educational marginalization" is, she argues, "economically generated even though it may subsequently take cultural and political manifestations" (Lynch and Baker 2005, 131). Wilkinson and Pickett's research also demonstrates this clear link between general social inequality and educational inequality. They discover that maths and literacy scores of 15-year-olds are lower in more unequal countries but also that the steepness of the social gradient (which plots the level of income inequality) has an important influence on a country's average literacy scores, or, in other words, on national levels of achievement.

Referring to the International Adult Literacy Survey, Wilkinson and Pickett also demonstrate that the two leading educational "power-houses" in terms of university rankings, the US and the UK, have markedly low average literacy scores due to the steepness of the social gradients in both countries. Douglas Willms (1999) has also shown that this link between average literacy scores and the steepness of a country's social gradient holds more widely "among twelve developed countries, as well as among Canadian provinces and the states of the USA" (109). Willms argues that there is a "strong inverse relationship between average proficiency levels and the slope of the socioeconomic gradients" (109). It is clear then that national literacy levels, or the level of education of a country's students at age 15, are strongly influenced by the levels of inequality in that society. Hong Kong society might, however, disprove the theory to a certain extent. Hong Kong always performs well in the PISA rankings,<sup>18</sup> and it tops the polls in terms of university rankings when rankings are correlated with GDP and per million population (Hazelkorn 2010, 26) and yet Hong Kong has one of the worst Gini coefficients in the developed world. It is difficult to explain this anomaly. One reason may be found in a recent UNICEF report on childhood well-being.<sup>19</sup> This study discovered that more children reported low aspirations in more equal countries; in unequal countries children were more likely to have high aspirations

and high aspirations can lead to better performances. Wilkinson and Pickett argue that some of this may be accounted for by the fact that in more equal societies “less-skilled work may be less stigmatized, in comparison to more unequal societies where career choices are dominated by rather star-struck ideas of financial success and images of glamour and celebrity” (2010, 116–17).

Gillian Evans also notes in *Educational Failure and Working Class White Children in Britain*, in quoting an inner-city UK primary school teacher, that often the kids don’t know they’re working class; “they won’t know that until they leave school and realize that the dreams they’ve nurtured through childhood can’t come true” (in Wilkinson and Pickett 2010, 117). This is quite a revealing response in terms of the pastoral care that should be part of the education of our young people; students should be prepared for life outside the secondary school and not simply for SAT tests and admissions interviews. To “discover” how the socioeconomic reality will influence one’s academic trajectory only when one is “released” after graduation is very often too late.

These factors also have an important influence on social mobility in a society. Jo Blanden et al.’s study (2005) at the London School of Economics on social mobility is revealing. They take social mobility as the correlation between fathers’ incomes when their sons were born and sons’ incomes at age 30. Their study reveals that there is a strong relationship between intergenerational social mobility and income inequality. Countries with bigger income differences tend to have much lower social mobility. This has also been revealed to be the case in Hong Kong (Lee et al. 2007). Recent studies on educational inequality in China also reveal that “educational development gaps between regions are still deep” (9). Educational disparities in access to education between rural and urban areas are the major cause of educational inequality in China. However, as 54.32 per cent of the population live in rural areas this is a major concern (7). None of the other leading players in the university rankings tables makes such a clear distinction between educational opportunities and educational funding in urban and rural areas. Growing social stratification in China and the “*hukou* system” exacerbate these inequalities; as a result of unequal distribution, students who want to get a good education but are not qualified due to residency requirements for exams in certain regions must pay extra expenses when selecting

a school. Such fees are approximately 35,000RMB. However, the annual per capita net disposable incomes of urban households and rural households are 15,781 and 4,761 RMB respectively (Yang et al. 2014, 8). Blanden et al.'s study reveals that the US has the lowest mobility rate among the eight countries examined in their study and that the UK also has low social mobility. It is curious then that the notion of the American dream still remains so engaging for millions of parents, particularly in Asia, where students flock to US and UK school and college fairs.<sup>20</sup> In fact, leading American educationalists still play on the power of this metaphor and even relate it to America's uniquely "democratic" political system. Geoffrey Galt Harpham, the President of the National Humanities Centre, entitled his new book *The Humanities and the Dream of America* and it is a book that argues that the humanities as now understood and taught in universities internationally were "invented in America" along with rock and roll. Martha C. Nussbaum argues in her latest book, also on the humanities, *Not For Profit: Why Democracy needs the Humanities*, that European and Asian universities do not share America's "liberal arts system" and, therefore, have "no secure place in the structure of undergraduate education" for "new disciplines of particular importance for good democratic citizenship" (2010, 126). However, the notion that citizenship education and "education for democratic citizenship" were always championed in US or UK liberal arts programmes or humanities education has been contested. Audrey Osler and D. Heater note that there was a lack of focus on education for democratic participation in England until the last decade of the twentieth century (Heater 1990; Osler 2014). Before then, an "elitist, knowledge-based form of civic education, usually entitled British Constitution, was offered to privately educated students and those judged to be academically able" (in Mettler 2014, 41). Suzanne Mettler also argues that, despite the commitment to democratic values in the traditional liberal arts universities in the US, "[c]itizenship in the United States has never come with a guaranteed standard of living or political influence" (18). These are somewhat startling admissions and yet, considering the numbers of Asian parents that skimp and scrape to send their sons and daughters to US and UK universities, "citizenship education" or "democratic values" are not necessarily integral to the cultural capital they want their children to acquire.

However, one wider question these studies raise is why there is a clear correlation between relatively high levels of income inequality and relatively low scores in national literacy tests but no similar correlation between relatively high levels of income inequality and low national university rankings scores. For example, as Blanden et al.'s study demonstrates, the US has the lowest mobility rate among the eight countries studied and the UK also has low social mobility, and yet these are the educational powerhouses when it comes to university rankings. Wilkinson and Pickett's own study on social mobility also reveals that the UK and the US have relatively high income inequality and low social mobility, well below that of all the Scandinavian countries and Germany and Canada, countries that also have much lower income inequalities. The kinds of national benchmarks used for success internationally at the secondary school level are clearly quite different to those used to rank success internationally at university level. One reason is that it is not only student achievement that is being examined in university rankings. Student achievement is a minor consideration for rankings scores, a fact that clearly demonstrates that universities are no longer ranked as teaching institutions.