Neoliberalism and Education

We must name the system. We must name it, describe it, analyze it, understand it and change it. – Paul Potter

Universities are the front lines in the battle between people who see education as a public good and people who see it as a market for profitability. There is a palpable tension between the faculty and staff in higher education fighting to keep students, the humanities and innovative research at the center of universities, and administrators and privately sponsored faculty seeking to turn the university into profit making centers, where education for the sake of learning becomes tertiary to education as a means of profit making and worker training. To be clear, public universities are not for-profit, rather the university is a site where profit making by private companies drives the decision making of university administrators. Universities contract with private business such as pharmaceutical and biotech companies, where the university gets grants in exchange for research done for free by students. For example, Monsanto the biotech company which has been criticized globally for their practices in seed production has awarded a grant to The University of California Davis for ten million dollars a year. Monsanto funded much of the research coming out of Davis, which has stated publicly that genetically modified food is safe and a viable food source (Knudson, Lee, 2004). While that may or may not be the case, we can’t expect unbiased research that is funded by a company that stands to gain billions of dollars based on the findings.

Administrators in the highest levels of the three college systems in California are brokers of the same economic agenda that has lead to the privatization and profit extraction from other social services including transportation, welfare, healthcare, and the military (Chomsky, 1999). This thesis is about a student movement in its embryotic stages that has been organized as part of a larger movement opposed to the neoliberal restructuring of the university. An understanding of the political economy of neoliberalism is necessary for students to develop an understanding for the movement, and is the intention of this chapter.

The history of neoliberalism and its relationship to education, specifically higher education, has been well documented and analyzed by a multitude of academics. Most of the academic papers involve an exhaustive study and critique of neoliberalism followed by a short list of recommendations for how to resist such changes (Ross, Gibson, 2007). Alternatively, this thesis will briefly examine neoliberalism and provide resources on where to find more and its relationship to education, while spending the majority of time considering how to implement a means of resistance and to develop a framework for a California Student Union based on an understanding of our current economic imperative. The first section of this chapter will cover the history and global rise of neoliberalism, followed by theories of neoliberalism and education. The last section of this chapter will demonstrate examples of neoliberal policies within education that have been enacted in California.

An Even Briefer History of Neoliberalism

Neoliberalism has been described as capitalism with its gloves off (McLaren 2005). In *A Brief History of Neoliberalism,* David Harveyexplains,

Neoliberalism is in the first instance a theory of political economic practice that proposes that human well-being can best be advanced by liberating individual entrepreneurial freedoms and skills within an institutional framework characterized by strong private property rights, free markets and free trade. The role of the state is to create and preserve an institutional framework appropriate to such practices. The state has to guarantee, for example, the quality and integrity of money. It must also set up those military, defense, police and legal structures and functions required to secure private property rights and to guarantee, by force if need be, the proper functioning of markets. Furthermore, if markets do not exist (in areas such as land, water, education, health care, social security, or environmental pollution) then they must be created, by state action if necessary. But beyond these tasks the state should not venture. State interventions in markets (once created) must be kept to a bare minimum because, according to the theory, the state cannot possibly possess enough information to second-guess market signals (prices) and because powerful interest groups will inevitably distort and bias state interventions (particularly in democracies) for their own benefit (Harvey 2005:2).

According to Harvey, Neoliberalism requires increased militarization to guarantee, by force if need be, the implementation of free market policies (Harvey 2005). Althusser explains there are two distinct ways in which the state maintains power; through the repressive and the ideological state apparatus. The repressive apparatus includes armies, police, courts, and prisons and the ideological state apparatus, includes churches, politics, media, and educational institutions (Althusser 1972). In 2004 neoliberalism was the dominant political and economic ideology, Hill wrote, “In the current period of capitalism there is increasing and naked use of repressive economic, legal, and military force globally to assert, and ensure compliance and subordination to, multinational capital and its state agents. (Hill 2007).” In order for neoliberalism to function, it requires the shifting the role of governments in order to give more power to private companies. Neoliberalism also requires a larger repressive state apparatus to ensure compliance. The new role of the government is limited to opening markets in places they had not previously existed and facilitating their success by reinforcing them with a strong police and military presence.

Neoliberalism has lead to an increase in the wealth gap between the poor and the rich. Post Occupy these people are known as the 1%. The Sociologist C. Wright Mills referred to them as the power elite (Mills 1956). Mills use of the term is important because; not only do they have an unequal share of the nation’s wealth but they have an unequal share of power as well. They are able to influence political policy both domestically and internationally in the form of structural adjustment programs, trade agreements, and if necessary, manufactured wars (Kinzer, 2007). In his book, *The Power Elite* Mills writes that there are three elite groups of political actors with interwoven interests, the Corporate, Military and Political (Mills 1956). The corporate faction of the power elite is able to acquire vast amounts of wealth by exploiting cheap resources and cheap labor, by opening new markets and by financial liberalization or removal of any controls in the marketplace. They are able to able to do this through force if need be because their interests are so interwoven with the interests of the military structure.

Another form of extreme profit taking relies on the use of cheap labor. In our globalized economy, this has become known as the race to the bottom. In the globalized market place, multi-national corporations set up factories in countries where they can pay workers the lowest wages. Governments in developing countries, wanting revenue from these factories, lower their minimum wage and other regulations to attract companies. This is typically the result of post war or disaster conditions and the economic restructuring of urban economies by neoliberals. (Davis 2006). Countries compete for the business of multinationals by offering the lowest minimum wages in the global marketplace. The repressive state apparatus is also used as a threat to force policies of financial liberalization, or the deregulating of the market.

Rise of Neoliberalism in the United States

In the United States, neoliberalism was a reactionary response to the Keynesian economic policies that grew out of the New Deal. Keynesianism presupposes that the economy should largely be run by private companies. However, in times of recession the government should prop up the economy with a reduction in interest rates and government investment in infrastructure. Embedded in Keynesian philosophy is the idea that, built into the system of capitalism there are winners and losers. Therefore, if we operate within an economic system which structurally necessitates losers then in is the responsibility of the state to provide for them in the form of welfare and medical care (Krugman, 2012). During the two decades after the war, workers enjoyed relatively high wages, women and people of color were winning struggles to extend personal and political rights for education, housing, health, workplace safety and the vote. As workers made and spent more, and businesses were competing in an open global market, profits began to decrease for large businesses (Bowles and Gintis, 1986). High wages and an increasingly competitive global economy meant reductions in the profits of the capitalist class (Ibid). In order to restore higher rates of profit for the capitalist class, neoliberal policies were enacted globally (Gill, 2003). In the Unites States, Reagan’s policies increased the power of capital by inducing a recession. This induced recession lead to an increase in unemployment, and cuts to social programs.

The theoretical basis for these neoliberal policies was the work of economist Milton Freidman and other economists at the Chicago School of Economics, colloquially known as the Chicago Boys. Neoliberalism is an extreme form of economic liberalism introduced by Adam Smith in The Wealth of Nations. In his book, Smith argues “wealth does not consist of money, or in gold and silver, but in what money purchases, and is valuable only for purchasing. Thus, the real wealth of nations consists of the goods which they can produce and trade, this is only to be accomplished by allowing production and commerce to develop freely without any controls (Smith 1886 pgs. 349-350). The implementation of Smith’s economic perspective is laissez-faire economics. Smith also wrote that “no society can surely be flourishing and happy, of which by far the greater part of the numbers are poor and miserable (Smith, 1886. pg.70).” Adam Smith advocated for high wages for workers and an end to slavery practices in Britain. Friedman also advocates for extreme lassiez-faire with no government intervention. He reinterpreted wealth of nature from an individualist perspective arguing it was not the role of the government to meet the needs to its citizens. He advocated for a capitalist economic system in which there were no regulations, including a minimum wage. Friedman believed that the economy, not the government, should regulate all prices including labor. He postulated that workers simply would not work if they did not like the wages offered, forcing private companies to pay what workers demanded. He promised a sharp increase in profit if all regulations were removed and the free market replaced the government in structures that could produce profit. Friedman’s neoclassical ideas of liberalism are based on an interpretation of Adam Smith, in which there should be no protections for the poor. As he sees it, if they are economically self interested, they will find jobs. Friedman’s theory is in opposition to the Marxist analysis that states in a capitalist system there is a pool of unemployed workers necessary to keep wages low; therefore being in poverty is not simply the fault of an individual not acting in their own self interest, rather a structured outcome of capitalism (Marx, Engels 1933). Neoliberalism also opposes the Keynesian economic analysis that government spending is necessary to create full employment (Krugman, 2012).

The Unholy Trinity

The stated intention of neoliberalism is to amass wealth for everyone through what is known as the trickle down effect. If tax breaks are given to the very rich they will use that money to create more jobs and everyone will win (Von Mises, Ebeliing 1990). What happens in actuality is that neoliberalism creates a wider gap between the rich and poor than ever before (Wolff 2010). Naomi Klein explains in The Shock Doctorine , Neoliberalism is predicated on three methods for increasing wealth. Naomi Klein, a critic of Friedman refers to them as the holy trinity of neoliberalism; deregulation, privatization, and cuts in social spending. Deregulation involves the removal of trade restrictions, elimination of minimum wage and environmental restrictions. Several of the regulations Friedman and his followers would like to see deregulated were successes of the labor and environmental movements. The government has regulations in the market to ensure safety of workers and the environment and too ensure jobs and living wages. Examples of these regulations include The Fair Labor Standards Act of 1938 which established a federal minimum wage, time and a half for overtime and a maximum 44 hour work week (Fair Labor Standards Act); and the establishment of the Environmental Protection Agency (EPA) designed to regulate pollution. Friedman argues that all regulations are bad for business and should be removed (Friedman, 1962). On the minimum wage law he says, “ Employer’s must discriminate against people who have low skills. If this man has a skill that justifies an hourly rate of a dollar and a half yet the minimum wage is two dollars, now the employer is engaging in charity, and most employers are not in a position to be handing out charity (Friedman interview).” This logic is used as justification for removing minimum wage laws. In times of economic downturns, regulations are blamed as the source of the downturn and the crisis is capitalized on as a means to impose deregulation, Naomi Klein refers to this as disaster capitalism. “These disasters, manmade or natural are seen as an opportunity to remove regulations” (Klein, 2007).

Neoliberalism also requires cuts in social spending. Cuts facilitate the growth of the wealth gap in two ways. Immediately they make the working class poorer by cutting services they rely on, including cuts to bus routes, financial aid or Medicaid benefits. Additionally, the rich get richer through decreased tax rates, as a result of less money promised to social services. Friedman and other neoliberal economists advocate that the role of the government should be limited to a police and security state to protect private property and facilitate the opening of new markets. Milton Friedman has proposed cuts to transportation, healthcare, social security and education to name but a few (citation needed). Cuts to social spending are pushed through using the rhetoric that the free market can do a better job of providing services than the government; companies will compete to create better products. What really facilitates these cuts is the shifting ideology toward individualism that reimagines people as individuals severed from the community. (citation needed)

The third major component of neoliberalism is privatization. This is the process of taking goods and services that were publicly owned and selling them off to capitalists who can extract profits from structures that were once public goods. Additionally privatization requires creating markets in places they did not previously exist. Examples include but are not limited to air traffic controllers, prison guards, water supplies, electricity, welfare and, of course, education. The rhetoric that private companies can operate more efficiently than the government is used as justification to sell off public assets to private companies. The government sells off its institutions for a low price and allows private companies the opportunity to own what was once the property of all those who paid taxes. In California, Enron played a major role in privatizing the state’s electricity. The increase in savings, created by an increase in efficiency, was not passed on to Californians; rather it was redistributed to stakeholders in the company (Hartman, 2004). Neoliberal economists propose privatizing everything from social security and healthcare to transportation, trash pickup, and even education. Friedman in particular has been a staunch proponent of the move towards privatizing schools with his voucher program and charter school system ideas. In 1995, he wrote an article about previous attempts to privatize education.

A radical reconstruction of the educational system has the potential of staving off social conflict while at the same time strengthening the growth in living standards made possible by the new technology and the increasingly global market. In my view, such a radical reconstruction can be achieved only by privatizing a major segment of the educational system--i.e., by enabling a private, for-profit industry to develop that will provide a wide variety of learning opportunities and offer effective competition to public schools. Such a reconstruction cannot come about overnight. It inevitably must be gradual. The most feasible way to bring about a gradual yet substantial transfer from government to private enterprise is to enact in each state a voucher system that enables parents to choose freely the schools their children attend (Friedman, 1995).

Neoliberalism assumes *a priori*, the reality of a free market, based on competition, allowing consumers to choose the best product and the lowest prices, resulting in the production of better products for less money. Friedman believes that social services should be subjected to the rules of the market as well. He championed a movement to privatize K-12 schools in the form of charters and voucher programs. Charter schools are run and constructed by private companies but are funded by tax dollars. Investors in charter schools are able to double their investments in the schools in seven years using tax breaks and tax credits designed for businesses giving something back to the community (Gonzales, 2010).

To aid the transition to privatization Friedman fought for the implementation of increased standards. The Bush era education reforms called No Child Left Behind (NCLB), called for more tests and higher stakes for these tests. In Bush’s original proposal, NCLB title I federal funds were to be used on vouchers for students in failing public schools, to be able to attend private ones. While that was ultimately scraped, privatization was introduced through the back door. Schools deemed failing were forced to privatize at least some parts of the school through private contracts (Lipman, 2007). In 2005, Hurricane Katrina provided an opportunity in New Orleans to implement a voucher program. President Bush, on the advice of Friedman, offered vouchers for private schools to all the students displaced by the hurricane, rather than spending the money to rebuild damaged schools (Klein, 2007).

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Althusser differentiates between the repressive and the ideological state apparatus. The ideological state apparatus as defined by Althusser says all of our values, preferences, and desires (everything we think we are free to choose) are inculcated in us by ideological practice.  This practice happens in various institutions including politics, education, church, and others.  These institutions are so much a part of our lives that we cannot get outside them completely.  When the state has control of these things or power over them and uses the institutions to reinforce their power, this is the ideological state apparatus (Althusser 1972). Our education system is a part of the ideological state apparatus, which reinforces the dominant ideology. This is certainly not true at all times and in all cases. Within the education system, there are indeed people who are questioning and resisting the dominant neoliberal ideology. In times of student and faculty unrest the educational system becomes a site for the operation of the repressive state apparatus as well. The following section looks at the education system as part of the ideological state apparatus of neoliberalism and how the repressive state apparatus is used to ensure the continuation of this relationship.

**Do I need to include a paragraph on the repressive state apparatus and how it relates to education? Education is part of the ideological apparatus but the repressive is used by administrators to ensure universities operate in their interest, not students.**

Education comes from the Latin word Educer, meaning to pull out of, or to bring out. Education means to pull people out of the dark or out of ignorance. The modern western system of education was designed during the enlightenment and driven by the economic imperative of the industrial revolution. Compulsory education has always benefited the ruling class but there was room for personal growth and critical thinking (Robinson 2001). The ideological state apparatus controlled by neoliberals is reducing schooling to vocational training. Professors are encouraged to create pedagogy based on flexibility and developing marketable skills. The state plays two key roles in perpetuating the neoliberal agenda. It must reinforce the importance of schooling, and ensure that modes of pedagogy that are antithetical to labor-power production, simply producing workers, do not and cannot exist. The state limits radical pedagogy because it has the power to awaken students to their position and demand democratic education (Hill, 2004). This transformation of education systems is a part of the ideological and policy offensive by neoliberal capital. “The privatization of public services, capitalization and commodification of humanity and the global diktats of agencies of international capital- backed by destabilization, of non-conforming governments and ultimately, the armed cavalries of the United States and its surrogates- have resulted in near global (if not universal) establishment of competitive markets in public services such as education (Hill, 2007 pg.107).”

Neoliberalism perverts education in two ways; with two distinct agendas, an agenda in schools, and an agenda for schools. The agenda in schools is to make profit from education through privatization, deregulation, and cuts in social spending, much like it has been done in other public services such as water and transportation. The neoliberal agenda for schools is to make education fit for business, to create compliant, ideologically indoctrinated, pro-capitalist workers. (Hill, 2007) The agenda in school is overt, while the agenda for schools is covert. Neoliberalism is turning schools is into big business, education is fast becoming indistinguishable from any other industry. When education is understood as a branch of this neoliberal reorganization of the economy there is a qualitative shift in the understanding of the purpose of schools.

Private contractors stand to gain large profits from building contracts, software and hardware programs and educational resources. Publishing companies are seeing record profits as textbooks become more widely used as they are largely linked to standards and standardized tests. Universities contract with private companies to operate on their campuses including McDonalds, Starbucks and Compass group. All of these companies make large profits from students with few options for dining while on campus. Several campus bookstores are run by Barnes and Noble, giving them almost exclusive access to students purchasing required texts. This is the overt neoliberalization of education, less obvious are the covert ways capitalism shapes education. Carl Davidson, a member of Students for a Democratic Society (SDS) saw this happening in the 1960’s under a Keynesian capitalist system and the penetration of business into schools has only increased since the 1960’s. Davidson wrote about the covert capitalist agenda for schools in his work *Towards a Syndicalist Movement.*

SDS has named the existing system in this country 'corporate liberalism. And, if we bother to look, its penetration into the campus community is awesome. Its elite is trained in our colleges of business administration. Its defenders are trained in our law schools. Its apologists can be found in the political science departments. The colleges of social sciences produce its manipulators. For propagandists, it relies on the school of journalism. It insures its own future growth in the colleges of education. If some of us don't quite fit in, we are brainwashed in the divisions of counseling. And we all know only too well what goes on in the classrooms of the military science building.

The power elite create educational systems that will maintain the dominance of big business. In addition to making money in the short term by using the university as a place for private companies to create profit, capitalists also seek to create docile future workers who are subordinate to the ideology of capitalism (Althusser, 1972). They change universities to create students with a narrow skill set useful to the capitalist, but also future workers that are compliant and flexible. This agenda for schools is disseminated through right wing think tanks such as the Business Round Table. Using carefully crafted rhetoric, they have been able to qualitatively shift the understanding of the purpose of schools, from places for critical thinking to places for job preparedness. In a 1983 study commissioned by Ronald Reagan and done by the National Commission on Excellence in Education they authors wrote:

The risk is not only that the Japanese make automobiles more efficiently than Americans and have government subsidies for development and export… Knowledge, learning, information, and skilled intelligence are the new raw materials of international commerce and are today spreading throughout the world as vigorously as miracle drugs, synthetic fertilizers, and blue jeans did earlier. If only to keep and improve on the slim competitive edge we still retain in world markets, we must dedicate ourselves to the reform of our educational system for the benefit of all--old and young alike, affluent and poor, majority and minority. Learning is the indispensable investment required for success in the "information age" we are entering.

This report understands education in a limited manner necessary only to create workers with raw materials so that we may compete in a globalized world. The rhetoric is crafted to make Americans fearful of falling behind, changes in education can be pushed through by making people fearful of what could happen if they are not. Once that shift is done, there is little resistance to policies that make schools more “business friendly.” This business friendly approach to running schools has lead to the marketization of education, where it becomes seen as a commodity (Levidow, 2007).

Reifying theory in California

As stated above, neoliberalism utilizes both covert and overt strategies for changing the education system. A student union should recognize and organize resistance to both methods. Californians specifically, are no strangers to the onslaught of neoliberal education policy designed to not only privatize universities but to weave neoliberal ideology into the fabric of the education students are receiving. The next section will examine a few examples of the neoliberal agenda in and for higher education.

Faculty previously ran universities with a few administrators to facilitate the daily operations of the university. Over time, the power of these administrators has increased and the size of the bureaucracy has increased dramatically. These new positions have been filled with members of the business class with a pro market agenda. In California the Board of Trustees of the California State Universities (CSU), and the Regents of the University of California (UC), are appointed by the governor. The Republican governor, Arnold Schwarzenegger appointed many of the current members on both boards. Many of these board members have little to no professional background in education, instead they hail from the private sector. This is becoming an increasingly common practice according to Benjamin Ginsberg in Fall of the Faculty*.*  The decision makers in our institutions of higher education have done their best to make the university landscape mirror that of private companies. The Board of Trustees for the CSU has a few men and women from the business community. Some noteworthy trustees include William Hauck, Margaret Fortune, and Linda Lang. William Hauck was once the president of the business round table and has lobbied to cut taxes for the top one percent, a potential source of revenue for the CSU, that would make tuition increases for students unnecessary. Margaret Fortune is a former superintendent of a charter school system; she remains a big proponent of the charter and privatization movements in public education. Linda Lang is the CEO of Jack in the Box and has never worked in an education related field. She has voted for every proposed fee hike for students (CSU Board of Trustees, [www.calstate.edu/bot](http://www.calstate.edu/bot))

Herbert Carter, the chair of the board of trustees has served the CSU in some capacity for the last 37 years. His tenure has been marked by several scandals including almost yearly double-digit tuition hikes, outlandish salary increases for administrators and secret deals. Carter was the chair of the board of trustees during the November 2011 meeting. At this meeting, students expressing dissatisfaction with a proposed 9% fee hike were forcibly removed from a public meeting. Carter moved for a ten-minute recess and adjourned the meeting to another room where the tuition hike was voted on and passed without the media or public present. Many of the UC regents are cut from the same cloth. Richard Blum one of the biggest financiers in California, president of Blum Capital, an investment and equities management firm, sits on the Board of Regents, his most recent activities include attempts to privatize the United States Postal Service with the help of his wife, Senator Diane Feinstein. Also on the board is Paul Watcher the founder and CEO of Main Street Advisors, an investment banking company. Russell Gould, another regent is a former vice president of Wachovia Bank. Wachovia is one of the five major banks responsible for the subprime mortgage collapse (Taibbi 2010). He has no experience in educational policy, yet he sits on the board of the one of the most prestigious university systems in the world. The UC regents invest heavily in corporations their members have stock in. They treat their positions like brokers of public funds rather than protectors of public education. This has led to a higher education system that looks like a private investment company playing with public money. For example, Richard Blum the regent for the UC was also on the board of Glenborough Real Estate firm, which was sold in 2006 to Morgan Stanley. Before the sale the UC had 8 million dollars invested in Morgan Stanley, after the sale the UC invested another 34 million dollars. Blum was able to sell his stock in the Glenborough at a premium price. Just two years later the housing market crashed and the UC lost 35 million dollars on the investment (Byrne, 2010). Coupled with the rhetoric of austerity, this explains why the UC’s and the CSU’s have seen roughly a three hundred percent increase in fees and no additional revenue from the state. These board members have not served as advocates for the students to the state government. The concentration of power given to the Regents and the Trustees, and the limited role of faculty and students in decision-making process is antidemocratic, and creates the pretense necessary to push through policies antithetical to democracy.

There is no system of higher education in California immune to the neoliberal agenda. Community colleges serve the largest number of students and they are barraged with these policies as well. Community College San Francisco (CCSF), is the largest community college in California. It serves 90,000-100,000 students a year; many of these students are low income, immigrants, people of color and working students (CCSF statistics). This school offers programs to meet the needs of several demographics in the Bay Area including preparation for four-year schools, vocational training, English language learning, and programs for the elderly and disabled communities. CCSF is one of the most democratically run universities in California with shared governance between students, faculty, and administrators. This shared governance has prioritized saving classes and jobs, even in the midst of austerity measures that have cut five million dollars from the operating budget of the school. The school is now undergoing an accreditation process. Accreditation has been presented as a system that evaluates overall educational quality and an institution’s effectiveness; it determines if the education a student receives from a college is of value and worth credit (WASC Accrediting Commission for Schools). Accreditation is done by the Accrediting Commission for Community and Junior Colleges (ACCJC). According to the 2013 research report on ACCJC by Save CCSF/Fight Back, The ACCJC operates under federal authority and the authority of the California Community College Board of Governors. It wields enormous governmental-type power to close or fundamentally re-shape public institutions. At the same time, it insists that it is private, and does not have the accountability mechanisms or openness expected of a public entity. The chair of the ACCJC underlined the private nature of the Commission: “The ACCJC is not a governmental or quasi-governmental entity…it is a private organization (What is ACCJC, 2013).”

ACCJC has two major funding sources; membership fees from the schools they accredit, and private foundations such as Lumina and the Gates Foundation. The former is an example of privatization as public funds are being spent on private enterprise. The latter, also an example of privatization; companies have a stake in the functioning of public institutions. This accrediting body has the power to re-structure and ultimately to close schools they deem preforming below the standards created by the ACCJC. Accreditation is required for all schools receiving financial aid; ACCJC has a monopoly on accreditations. As the only accrediting body, ACCJC used their position to coerce CCSF into accepting austerity measures by way of cutting classes, whole departments, and wages. They have also called for removing department heads as a way to save money, at the same time suggesting an increase in highly paid administrators (Save CCSF, 2012). An increase in administration would severely undermine the shared governance of the university, by giving more power to the larger administration. CCSF was used as the model for ACCJC to enact these sweeping policy changes but it is certainly not the only school where accreditation has been used as a tool to privatize and it won’t be the last (Sterling 2013).

The neoliberal agenda in higher education has been structured in such a way that one neoliberal policy begets another. To be sure, cuts in social spending have lead to a reduction to public funds the university receives from the state. Universities have increased tuition and fees and elicited private companies for foundation grants with the justification that they need to replace those funds. The money from private corporations comes with strings attached and influences the work done in the university. Examples of neoliberal policies cannot be neatly divided into privatization, deregulation, cuts in spending and marketization, as each example has elements of some or all of those tenets. Increased tuition is the result of cuts to social spending but it is also used as a method of marketization.

California, once viewed as a beacon of public higher education, has long touted tuition free higher education. Today the state is still reluctant to officially name the fees it charges students “tuition”, although that is what students are paying. Tuition is paying for instruction, as opposed to fees, which cover other school related expenses such as books and parking. Charging students tuition in California is against the law, thus the state employs a clever game of semantics and calls it fees. In 1960, The California Master Plan for higher education was written and approved by a board comprised of UC regents, the governing body of the UC system and the California State Education Board, the governing body of the CSU’s and the CCC’s. This plan was the basis for legislation regarding higher education in the state titled the Donahoe Higher Education Act. This legislation adopted most of the principles of the plan including free universities, with the exception of auxiliary fees such as parking, dormitories, books and the like. In the fall of 2002 the fee for attending a CSU was $1,428 a semester, since then, tuition has risen every year with the exception of 2006. Tuition increased in years when the states finances were healthy not just when they were sparse. In the 2012/ 2013 academic year tuition was $5,970 a semester until a rollback of 9%, a direct result of ballet initiative Prop 30 and public pressure to do so. There has been a 300% increase in fees from 2002 to 2013. Since 1986 there has been a 900% increase in the cost of tuition, that is 650 points above the inflation (Harris, 2011). This is coupled with the decrease in real wages. The minimum wage has gone up 21% since 1990 but the cost of living has gone up 67% (Bureau of Labor Statistics 2013). The narrative is always that the state does not have the money to fund education, an inaccurate analysis of the state budget for a few reasons. First, the money is there; it is allocated to other places in the budget, like the prison system, which is also being privatized. A 2012 report *Winners and Losers: Corrections and Higher Education in California* shows that California now spends more on prisons and related services than higher education. In 1979, California spent $48,214 per inmate and only $7,463 per college student (Anand, 2012). Second, with neoliberals in positions of power, even if the state could fully fund education, it wouldn’t. Tuition changes the role of education from public good to private investment. The introduction of tuition is simultaneously the introduction of an ideology that education can be purchased and owned by an individual, thereby removing a communal understanding of education as a common good. Tuition increases get pushed through even when there is no manufactured crisis calling for them. The more universities can charge for tuition the more they can reinforce the idea that it is a personal investment. Education becomes void of liberating qualities, and serves only as means to a higher paycheck (Levidow 2007). This mentality is evidence of how people have been socialized to the ideology of the market.

Problems created by one tenet of neoliberalism give rise to other neoliberal policies. Tuition has increased 300 percent; diminishing grants have left students to pay increased tuition themselves. The cost of attending college has skyrocketed since the introduction of neoliberalism in American education the 1980’s and real wages, those adjusted for inflation, have decreased since their height in 1978. According to the CSU website tuition was $1,428 a year to $$5,472 in 2011 (Historical Tuition Rates, 2013). Students increasingly must rely on student loans to pay for college.

The student loan industry is a glaring example of how deregulation of businesses related to the education sector has hurt students and benefited big business. To be sure, student loan debt is over a trillion dollars; more than credit card debit but unlike it, cannot be wiped out in bankruptcy. The private student loan debt industry is not subject to the federal fair debt collection requirements (Richardson, 2011). With few regulations of these lenders in place, there are no limits on how much a private lender can charge in interest, fees, and penalties once a student or graduate defaults on their loan (Field 2010). The Project on Student Debt found “Private student lenders are not required to provide the borrower options and protections that are guaranteed with federal student loans, such as unemployment deferments, income-based repayment, public service loan forgiveness, and cancellation if the borrower dies, is severely disabled or is defrauded by a school.” (Reed 2011) It’s worth noting that the collections executive at Sallie Mae, one of the companies that greatly benefits from lax regulations is the daughter of House Speaker John Boehner, who served as head of the education and labor committee, the people responsible for regulating student loans (Zaitchik 2012). This industry has been careful not to create a bubble like the housing one of 2008. Less than one percent of students filed for bankruptcy after finishing college, but the manufactured fear of such lead to laws that make student loans one of the very few types of debt that cannot be wiped out in bankruptcy (Reed 2011). Students fearful of the consequences of defaulting on loans are forced to take low wage, low skill jobs just to meet their minimum payments due. This highly deregulated industry has lead to modern day debt bondage, leaving students forced to take low paying jobs simply to avoid defaulting on loans.

Executive pay to top administrators in all three systems of higher education in California typifies the infiltration of the business model into higher education. According to data from the California State Controllers Office, in 2011 Mark Yudof, President of the UC system had a salary of $601,356. In addition to his base salary he had a housing allowance of $10,000 monthly and a car allowance of $8,400 annually. In the same year Charles Reed, former Chancellor of the CSU system had a salary of $425,953. His housing allowance was $30,000 and he received $1,000 monthly for his car allowance. Chancellor Reed retired in 2012, and was replaced by Timothy White. White asked for a $50,000-pay cut, a symbolic show of empathy with students who are facing tuition increases and class reductions (White 2012). According to statistics on who is in the top 1% of income earners in the US (Bell 2011) White’s salary and housing allowance still leave him a member of the one percent. Community colleges operate less centrally; districts determine executive compensation. Chancellor Harris in Sacramento earns $390,035. The lowest paid Community College Chancellor has a salary of $228,478 annually. The Regents and the Board of Trustees decide compensation for the university presidents and chancellors. Their pay has seen tremendous increases over the past decade, even when adjusting for inflation. Elliot Hirshman, president of San Diego State has a salary of $400,000 with housing provided and a car allowance of $1,000 monthly. Hirshman was hired in 2011 in the midst of a budget crisis that resulted in an increase in tuition for all students, but he was given a salary of $100,000 over his predecessor (Los Angeles Times, July 9 2011). Months later, President of the UC, Mark Yudof appointed Nicholas Dirks as Chancellor of the University of Berkeley and offered him $50,000 more than his predecessor giving him a salary of almost half a million dollars. (L.A. Times Nov 27 2012) Salaries in this range are also extended to administrators in the President and Chancellor’s offices. Yudof has five people on his staff that make over 300,000. Chancellor Reed has five people in his office making over $240,000. All of these positions also come with benefits packages and retirement funds.

With the increase in pay for administrators, there has also been an increase in the number of administrators, which have adverse affects on universities. In *Fall of the Faculty,* Ginsberg writes that until recently faculty were responsible for a large portion of the operations of the university. Over the past thirty years, there has been an increase in administrators far surpassing the increase of faculty. From 1975 to 2005 faculty increased by 51% and administrators and their aides have increased by 85%. The sheer increase in their numbers and their orientation toward managing rather than academics has lead to a shift away from the core principles of higher education; of pedagogy and research for inquiry (Ginsberg, 2011, Hill, 2007, McLaren 2002). Administrators have altered the role of research from a tool used for social good to a revenue stream for grants from private companies (Ginsberg, 2011). The increase in administrators and their changing roles is not a necessary response to growing universities, in fact the proportions of growth are not similar; rather this is the implementation of neoliberal policies from the top (Ibid).

Recently, there has been an increase in attempts to implement various neoliberal policies on single campuses rather than system wide. This is likely a reactionary response to the protests that drew students from several campuses. Conceivably a divide and conquer tactic. At Santa Monica City College in 2012, board members attempted to introduce a two-tiered education scheme. The plan was to offer course at the going rate for all city colleges and then offer popular courses and courses necessary to transfer for an additional fee. If students wanted to take the courses necessary to move on they would have to pay $180 a credit as opposed to the $46 dollars at which other courses were offered (Rivera, Los Angeles Times, April 15, 2012) The last set of tuition hikes, proposed in the CSU were for students who failed a course and students who did not graduate on time. These fees would not affect the majority of students in the same way an across the board fee hike would. There were nearly 100 people at the meeting to protest the hikes, but that was only 20% of the number who showed up in November 2011. Administrators at the CSU introduced Massive Open Online Courses, MOOCS, at only one of the CSU’s. Students and faculty at San Jose State University have written open letters to the administration and to the private company who sell the MOOCS. They staged rallies and actions to oppose what they considered the turning of their university into “Wal-Mart U”. Students at other CSU campuses have not engaged on the same level as students at San Jose and statewide protests did not materialize. A statewide student union would place each of these individual attacks as part of the systematic dismembering of our higher education system. A statewide student union could disseminate information to all involved students and turn out large numbers of students to protest the actions of one university.

An understanding of neoliberalism, its consequences and the strategies used for its implementation by students is necessary to start a movement capable of undermining it. A statewide union will need to address the overt and covert ways neoliberalism changes schooling. Currently higher education in California is fragmented into three systems, students and faculty have been unable to link the three systems in any meaningful way. Neoliberal agenda pushes in one system should be conceptualized more broadly as an attack on higher education more generally.

It is in vogue among faculty and activists to say that students of this generation are apathetic. We should reject the notion that this generation has a predisposition to apathy. Apathy is a structured outcome of an economic system predicated on individualism and competition. It is breed in schools that use the banking method of education, a method where students are seen only as receptacles to deposit knowledge into and not active participants in their education (Friere 1991). Critics of this generation of college students believe that apathy comes from an increasing reliance on technology, this is an ahistorical understanding of apathy. In the 1960’s Students for a Democratic Society wrote in their manifesto the Port Huron Statement that the significance of their movement early on was that students were breaking through the crust of apathy (Hayden 1960). Apathy is not a generational problem but a problem of capitalism. Neoliberalism is extreme capitalism therefore the result is extreme apathy. Students of this generation have lived their entire lives in the post Regan/Thatcher political climate of weak unions and strong capital where individualism is promoted over collectivism. Apathy is the result of our economic system not iphones, and the student union should understand it as such in formulating ideas to combat apathy amongst students who are potential student union members. It is important that we do not fall into the “millenials are lazy” rhetoric, rather we should reach students where they are and educate them on the reasons there are no good jobs and what they can do about it.