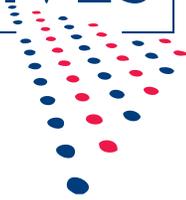


PRESIDENTIAL PERSPECTIVES



*A HIGHER
EDUCATION
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SERIES*

2012-2013 Series:

Responding to the Commoditization of Higher Education

Chapter **7** ● **The Commoditization of
Higher Education:**
*Reflections on How We Got
to Where We Are*

The Commoditization of Higher Education:

Reflections on How We Got to Where We Are

Dr. Doug Whitlock: President of Eastern Kentucky University

I begin with a confession. While the bulk of this chapter will be reflections based on my personal analysis of the subject, I did want to get a feel for the thinking of others on this subject. So, I did what I know many of our students do when starting a new paper. I turned to Google. My search was straightforward — “commoditization of higher education.” I was not surprised that I got a large number of hits, but I was a little taken aback by one of the top most hits in my results.

It amazed me a bit that one of those websites that will offer, for a fee, academic papers, research papers, dissertations, and book reports would offer one in the area of educational policy entitled, “Have We Come to View Education as a Commodity?” After a little thought about it, I came to the conclusion that being able to purchase a commodity (research paper) about a commodity (education) had a certain symmetry. That symmetry, however, did not ease my discomfort around students being able to buy their work. Other hits, some of which I will cite, confirmed and reinforced some of my own thinking on the subject.

Many writers lay the commoditization of higher education squarely at the feet of technology. In an excellent piece entitled, “Education as Commodity: The Ideology of Online Education and Distance Learning,” (JAHC, 2001) Douglas J. Cremer writes convincingly that online education, the increasing use of market place language, and a focus on “quantitative productivity rather than qualitative assessment” is creating a consumerist ideology around higher education. I agree with Cremer, but offer what I contend is the true underlying factor behind the commoditization of higher education. It is what I believe helped create the environment to make what Cremer describes happen in such a significant way.

In the immortal words of Pogo, “We have met the enemy and he is us.”

“...a focus on ‘quantitative productivity rather than qualitative assessment’ is creating a consumerist ideology around higher education.”

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I am convinced our continued emphasis on the increase in earning power the individual realizes as a result of earning a college degree is largely responsible for the commoditization of higher education. We have all seen in graphic form the line and bars that compare the average lifetime earning power of the dropout, the high school graduate, and those with associate, baccalaureate, and graduate degrees.

The message is powerful, largely because it is true. It has the weakness, however, of being an incomplete truth. It also, in my view, has had an insidious result. By our focusing the primary purpose of a higher education on increased earning power, the mindset of many — including public policymakers — has become that higher education is less of a public good and more of a private benefit. The Indian economist Jandhyala B. G. Tilak in “Higher Education: A Public Good or a Commodity for Trade?” (UNESCO, 2009) wrote compellingly about the “shift from viewing higher education as a public good to a private, tradable commodity and its dangerous implications.” He identified several costs for treating higher education as a commodity. I think all of us, particularly those of us in public higher education, can identify with several of Tilak’s points. These include:

1. “. . . by treating higher education as a commodity that can be bought and sold in the domestic and international markets, the public good character of higher education may disappear all together.”
2. “. . . the commoditization of higher education would terribly weaken governments’ commitment to and public funding of higher education and promote a rapid growth in the privatization of higher education.”
3. “. . . treating higher education as a marketable product may severely affect knowledge production and will lead to ‘knowledge capitalism.’”

His focus on the latter point is regarding the negative impact on the sharing of knowledge if commoditization leads to educational enterprises becoming increasingly proprietary. I share that concern, but add to it a worry that comes from the question of just how much new knowledge is created by institutions such as the University of Phoenix. Do any of us want a future in which new knowledge is largely the result of potentially biased research?

The second of the cited points from Tilak is, I believe, only part of the impact of commoditization on higher education’s relationship with both the state and federal governments. Surely, the past several decades have shown him to be correct on the weakening of both federal and state support of public higher education. Rare is the public college or university that does not have considerably less in public support per full-time equivalent student than it did 10 years ago. In the case of my University, the shift away from public support has resulted in an educational and general budget shift from 75 percent state support and 25 percent tuitions and fees to 32 state support and 68 percent tuition and fees over a period of 20 years. While Tilak’s reference to privatization may have been directed to an increase in proprietary education, one of the side effects of reduced state support is that public universities are beginning to look more like private institutions.

Ironically, as state and federal support diminishes, the call for accountability from higher education increases. Outcome metrics have become the order of the day. Retention rates, time to degree, graduation rates, and degrees



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conferred are all measures that have become increasingly important to public policymakers and consequently to those of us engaged in the enterprise. These are all quantitative measures of the commodity we have become. But, it is reflective of the *Wizard of Oz* mindset in which one becomes intelligent just by having a diploma.

I fear too many now miss the point of what being an educated person means. There was a time when there was a recognition that a person benefitted from any level of higher education experience. In the age of the “degree as commodity, “ the perceived value added by any other amount of postsecondary education experience is sadly lost.

Another governmental result of the commoditization of higher education is regulation. As we are increasingly viewed as an enterprise engaged in interstate commerce we are more and more subjected to federal regulations. Two of the latest examples of this have been the furor over requiring institutions to secure licensure or registration in every state in which they have online students and the drive to define the credit hour. The requirement that regional accrediting bodies incorporate standards defining the credit hour has real teeth.

In commodity-speak, the credit hour is to the degree as the grain of wheat is to the bushel. Again, like the failure to recognize education as a public good, the obsession with the credit hour is a phenomenon largely of our own making. But, fiscal realities are a big part of the picture.

As public support diminished, increased numbers of public colleges and universities moved away from tuition patterns where once a student reached “full-time” there was no additional tuition charge. As a result, the per-credit hour model is quickly becoming the new normal for tuition, often with differentials based on programmatic, course level, or online variables. At the same time, the cost for this basic building block for a degree — the credit hour — has increased at a rate considerably greater than the Consumer Price Index.

This increase in cost — and other economic factors — has led Peter Theil, Facebook investor and PayPal founder, to describe in the popular press something he calls the higher education bubble. His contention is simply that the cost of higher education is becoming greater than its benefit to the individual. Or, in the sense of a commodity, he seems to be describing a futures market in which the investor has made a bad deal.

What does all this mean for those of us engaged in higher education? First, I think we must avoid the pitfall of remembering a time that never was and not wanting it to change. The bell of online education has been rung and there is no going back. Some institutions, with widely varying degrees of success, have entered the online market in attempts to be entrepreneurial and bolster their traditional residential programs. It is going to be interesting to watch the impact of the entry of certain prestigious private institutions into the online market. There are those who argue that for something to be a commodity there can be no qualitative differences within that commodity. To me, that view overlooks the market nature of generic and brand name. Inherent to this is a particular challenge to the public comprehensive universities in this country. In order to compete with the burgeoning for profit online enterprises and with institutions with high name recognition, public comprehensives, in my view, must do the following:



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- Maintain their historic role as schools of opportunity for traditional students.
- Identify niches in the online market for their innovative specialty programs for which the online giants have not cornered the market.
- Establish a value-added component for their online programs that a strictly online model cannot match.
- Underscore their value to the public good through stewardship of place with service, K-12 support, and support of economic development.

The entire higher education community has an opportunity to turn the fixation on the commodity of the credential to our advantage. There is a growing awareness that for the first time in American history the 25-34-year-old cohort is less well educated than their parents. There is also a mounting concern that the United States has slipped from its perch as the nation with the highest percentage of college graduates in its population. There is a particular concern with our low production of graduates in the STEM disciplines. In those statistics lies what I believe may be a silver lining.

The most insidious aspect of the commoditization of higher education has been the concomitant lost view that higher education significantly serves the public good. The recognition of the connection between educational attainment and a state or nation's economy — in fact its national security — should be seized upon as a selling point to begin turning the conversation again to the overall societal benefits of higher education. If we are going to be a commodity, we need to be seen as essential — like food, clothing, and housing.

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Dr. Doug Whitlock, Eastern Kentucky University's 11th President, is devoted to upholding the rich tradition of his Alma Mater while guiding her to greater excellence.

He has initiated and overseen capital, regional stewardship, student success, and academic research projects that will long define Eastern's future. These include Kentucky's second largest performing arts center and an impressive science building, both of which opened during the 2011-12 year; the innovative Noel Studio for Academic Creativity (based in EKU's John Grant Crabbe Library); and the Center for Renewable and Alternative Fuel Technologies.

During his tenure, Eastern Kentucky University has garnered several national recognitions, including: designations by *Forbes* and *U.S. News* as being among America's best colleges; distinctions as a community-engaged university by *The Carnegie Foundation for the Advancement of Teaching and Washington (DC) Monthly* magazine; and recognition for two consecutive years as one of America's "Great Colleges to Work For," including 2010's designation as an Honor Roll institution, by the *Chronicle of Higher Education*. Most notably, perhaps, is EKU's recognition as a veterans-friendly campus by *G.I. Jobs* magazine and a number one ranking in the nation by *Military Times EDGE* magazine with its "Best for Vets" honor.

After earning two degrees from Eastern as a first-generation undergraduate—a bachelor's degree in history and social science in 1965 and a master's degree in history a year later—President Whitlock earned his doctoral degree in higher education from the University of Kentucky in 1981.