

BOOK REVIEW

UNPROFITABLE SCHOOLING:
EXAMINING CAUSES OF, AND FIXES
FOR, AMERICA'S BROKEN IVORY TOWER

TODD J. ZYWICKI AND NEAL P. McCLUSKEY, EDs.
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Anyone who has been on a college campus these past few decades, or even skimmed a newspaper during that time, knows that American universities are in bad shape. Voices from inside the academy have become among the most forceful detailing the shipwreck of the humanities on the shoals of political correctness. Michael Rectenwald, Jordan Peterson, Nicholas Christakis, Bret Weinstein, Anthony Kronman, Peter Wood, Jonathan Haidt, and Amy Wax—all scholars with impressive resumes and educations at top-flight institutions—are just a few of the bellwethers who have tried warning the rest of the country that something is rotten in academe. (Peterson, for his part, is an academic whistleblower in Canada, but his Harvard years give him more than enough cachet

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to join the Americans in crying foul on US higher education. If anything, the situation in Canada is even worse.)

A little library work reveals that critiques of colleges are hardly new. Russell Kirk, who wrote regularly on higher education for *National Review*, was a jolly detractor of the hypocrites and pseudo-intellectuals whom he saw as running many American universities. (Kirk delighted in referring to Michigan State University president John Hannah, a poultry scientist, as a “chickenologist.”) David Lodge, Evelyn Waugh, and Kingsley Amis, among a score of others, have made colleges in the US and England the scene of much satire in novel form. H. L. Mencken famously called for American professors to be hanged. Thorstein Veblen excoriated the entire business of the American academy. And even before there were more than a handful of American universities of which to speak, Karl Marx was receiving letters from his father warning him to stop brawling in the pubs and hit the books instead. (Marx eventually had to transfer schools.) Universities, American and otherwise, have always, it seems, been down in the mouth.

So, why do we keep funding them? Why has funding for universities skyrocketed in the past half century? What do we expect to get from our tuition, tax subsidies, and mammoth student loan schemes?

These questions and more are taken up with all due scholarly regard in *Unprofitable Schooling*, a very useful volume edited by Todd J. Zywicki and Neal P. McCluskey and commissioned by the libertarianish Cato Institute in Washington, DC. The editors of *Unprofitable Schooling* have sagely assembled fourteen authorities with backgrounds in education history, education policy, economics, and law. Divided into three parts and eleven chapters plus an introduction, *Unprofitable Schooling* is the go-to book for anyone who wants to understand, in depth, the debates raging about why, and even whether (there are dissenters from the skeptics in the book, which ironically makes it very unlike academia itself), the academy is in such a sorry state.

Part I, “Historical Perspectives on Competition and Government’s Role in Higher Education,” begins where many diachronic debates about American universities either start or wind up: the Morrill Land-Grant Act. Jane Shaw Stroup’s chapter, “What Really Spurred the Morrill Act?,” and Richard K. Vedder’s contribution,

"The Morrill Land-Grant Act: Fact and Mythology," are very good at presenting the history of the federal government's insinuation into higher education. Vedder—an emeritus distinguished professor in economics at Ohio University and an adjunct scholar at the American Enterprise Institute—richly contextualizes the Morrill Act in the longer sweep of American history. "Expansive claims for the Morrill Act," Vedder argues, which claim for the Act a transformative, even legendary, status in the annals of the United States, "are, minimally, greatly exaggerated." (p. 31) Vedder shows through a bevy of facts, figures, and charts that the Morrill Act, and the general tide of federal meddling in higher education that it inaugurated, created the usual decline in quality that contact with the government elsewhere produces, along with "rent seeking... gone amok" (p. 62).

The many splendors of "rent seeking" (a phrase often repeated in *Unprofitable Schooling* and a practice that comes as naturally to bureaucrats as napping does to felines) are explored in great detail in part II, "The Current State of Higher Education in America." Here Daniel D. Polsby tackles the "runaway tuition phenomenon," Roger E. Meiners delivers the *coup de grace* to academic tenure, Zywicki and Christopher Koopman probe the mysteries of "the political economy of administrative bloat in American higher education" (building partly on Benjamin Ginsberg's 2011 book *The Fall of the Faculty*, about "administrative blight" on college campuses), and Scott E. Masten takes an optimistic look at "shared governance" and "academic bargains." Masten's chapter is particularly useful, as he is trying to get at the cause of administrative inefficiency while also calling for the preservation of a system that he argues has the potential to "respond to [a] new educational environment" (p. 193). (Masten is up against some stiff competition, though: Adam Smith, another early critic of higher education, lambasted shared governance in *An Inquiry into the Nature and Causes of the Wealth of Nations* ([1776] 1985, 428, cited p. 191n79).

The heart of the volume, and the pivot of the debate about universities in the United States, comes in chapter eight, "All Education Is For-Profit Education," the lead-off for part III, "Competition in Higher Education." In this seminal essay, reprinted in *Unprofitable Schooling* but which "originally appeared on the website of the James G. Martin Center for Academic Renewal on June 25, 2014"

(p. 197n1), the late Henry G. Manne, formerly dean of the George Mason University School of Law and eminent scholar at a dozen other universities and organizations besides, handily dismantles the myth that nonprofit education is any better than for-profit education, or that there is any such thing as nonprofit education in the first place.

In “All Education is For-Profit Education,” Manne—who in his 2014 piece was responding to a veritable onslaught by the Obama administration (which always knew how to protect enclaves of Democrat voters) against for-profit schools in favor of traditional party bastions such as state universities and private colleges—argues that what universities put in the nonfungible column of the balance sheet—tenure, cushy offices, light (or no) teaching loads, long sabbaticals, early retirement, fancy on-campus dining facilities, faculty lounges, banker’s hours, research funds, and the like—are very much profits in their own right. “There is no such thing as a non-profit organization,” Manne declares. “What there is, of course, is a well-designed system of obfuscating the distribution of...profits” (p. 199).

This reminder that “nonprofit” is a smokescreen for other kinds of rent seeking is the rub of the question and the centerpiece of the book. The other three chapters in part III—Jayme S. Lemke and William F. Shughart II’s “Assessing For-Profit Colleges,” Michael E. DeBow’s “Public Policy and the Future of For-Profit Higher Education,” and David A. Hyman’s “Nonprofit and For-Profit Enterprise in Health Care: Birds of a Feather”—as well as several other chapters in *Unprofitable Schooling* engage with Manne’s thesis in some way.

Indeed, another way of arranging *Unprofitable Schooling* would have been to divide it into just two parts, Manne’s short essay and everyone else’s writings, because so much of the rest of the debate turns about the points that Manne raises. Time and again in *Unprofitable Schooling*, and in the much more voluminous literature about university (mis)management overall, the question is either implicit or glaringly obvious: who is the owner of a university? The answer is the same as for anything else: if nobody owns it, then it will go to the dogs (QED).

The lack of clear ownership of universities and the rent seeking that passes for the responsible husbanding of resources that one

would expect to find at other institutions have together been an unmitigated disaster for the United States, one that carries with it both obvious and not-readily-apparent social and financial costs.

For example, in the 2011 volume *Academically Adrift*, Richard Arum and Josipa Roksa found that most students learn virtually nothing during their undergraduate years. Graduate students, speaking anecdotally, surely learn even less. In my own experience I have found that a BA in a humanities subject is basically a certificate testifying to strength of liver and libido, while an MA or a PhD testifies to preparedness for socialist revolution. Whatever studying goes on in college is purely coincidental to the real mission, which is the perpetuation of a kind of tribe and the raising of funds to achieve it. This explains why attendance at football games generally beats attendance at philosophy classes by factors in the tens of thousands and why, when I graduated with a PhD from the University of Wisconsin in 2016, the fancy, gold-embossed black portfolio I received as I walked across the stage contained not a diploma, but an application to become a dues-paying member of alumni and boosters clubs. Like a government, a university produces nothing but more and more hangers-on, and an equal number of schemes for funneling cash to them.

And, if the Bennett hypothesis (named for Reagan-era secretary of education William J. Bennett) is correct—namely that government subsidies for higher education have produced tuition costs that long ago blew past average rates of inflation—then the political and financial consequences of saddling young people with essentially unrepayable debt will be much, much worse than the general uselessness of college itself. This hypothesis, and various opinions for and against it, are also explicated in *Unprofitable Schooling*, further increasing its value to the interested reader (see, e.g., p. 91). As politicians for national office float ideas of a debt jubilee for baristas with quarter-million-dollar gender and sexuality studies degrees from Swarthmore, it is vital that voters know that, according to many scholars, it is precisely the government that got us into the loan crisis to begin with.

There is much good information in this volume, but I wish that some of the chapters had been a bit more economical with the statistics and policy details. As an introduction to the literature on

education and economics, *Unprofitable Schooling* is hard to beat—especially, I suppose, because in some places it recreates the eyelid-drooping density of specialist journal work on the subjects at hand. However, better to have too much information than too little, and the clear structure of the book and of most of the chapters makes it easy for those who wish to glean argumentative thrust to do so without getting lost in the minutiae.

Higher education in the United States, and in much of the rest of the world, is in very bad shape. My own sympathies are with Manne, who I think scores a direct hit on the university administrators and their juicy cartel with his brilliant essay on “nonprofit” colleges. But before one can engage in a real debate, one must know the lay of the land. *Unprofitable Schooling* is an excellent guide, and will, hopefully, be the starting point for long-overdue reform.

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