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**The Internationalization of American  
Higher Education in the 1980s:  
Crises in Finance and Legitimation**

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**John F. Kennedy-Institut  
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The Internationalization of American Higher Education  
in the 1980s:  
Crises in Finance and Legitimation

by

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By the internationalization of American higher education we may first think of the generous welcome America has long offered to millions and including students, but today I want to talk about internationalization's contribution to recent changes in American higher education finance, management, and sense of purpose, including: American higher education's increasing dependence on foreign student income and school systems, a dependence that may be at the expense of some American students and their educational system; the underdevelopment of educational systems in other countries, contributing to their relations of dependence; the creation of a new cosmopolitan ruling class, one that feels no obligation to individual nation states nor the democratic process; and finally, about how these processes are currently being masked by talk of "diversity" and "multiculturalism" which serves to racialize things better understood in other terms.<sup>1</sup> The postwar Fordist/Keynesian economy has collapsed and along with it the generous educational policies it sustained. As represented in California's Master Plan for Higher Education, these policies assumed that education is the key to the commonwealth's social and economic advancement, that every citizen has a right to it, and that the state ought to help pay for it.<sup>2</sup> But this great promise, and the educational

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<sup>1</sup> Delivered to the Wissenschaftliche Jahrestagung der Deutschen Gesellschaft für Amerikastudien, Mainz, June 2, 1993. The larger study from which this paper is drawn, "Corporate, Academic Multiculturalism and the Restructuring of American Higher Education", will appear in Transition (#61, Fall 1993).

<sup>2</sup> Charles J. Hitch, "California's Master Plan: Some Kind of Education for Nearly Everybody," in *Higher Education for Everybody?*, ed. W. Todd Furness (Wash, D.C.: American Council for Education, 1971); William H. Pickens, "California Perspectives: Three Viewpoints (Higher Education and Society's Needs)," *Change* 21, no. 5 (September/October 1989): 44-51.

policies it nourished, have been repudiated and something else -- something much colder -- is being put in place.

This re-adjustment is spoken of in terms of a conflict between the free market and the nation-state. Schematically represented, these positions may appear as follows and I will examine them in turn.

For the good of the global free market.	Free markets are good for the nation.
Nationalism is good for free markets.	For the good of the nation.

The free marketeers and nationalists speak past each other like this: For Bradford Cornell, writing in the Wall Street Journal, "the percentage of foreign graduate students and faculty should rise to reflect their relative numbers in the marketplace" as long as transportation, linguistic, and immigration barriers for foreign students drop, as long as they are admitted to American universities on the basis of individual merit, and as long as the university policies are nominally governed by meritocratic principles. Thus, as the U.S. accounts for only 5% of the world's population, so the proportion of American students in American universities may well drop precipitously.<sup>3</sup> For the free-marketeers, this is not a bad thing. For the nationalists, however, it is a horror. Writing in the Washington Post, the journalist William Raspberry notes that while the number of foreign students receiving Ph.D.s has doubled the number of black Americans receiving them has dropped by half; moreover, while only 13.8% of the foreigners supported themselves, a full 60% of African-Americans had to work and borrow money to make their way through school. Raspberry asks, "Why must Black Americans and Native Americans go into debt to finish their

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<sup>3</sup>Bradford Cornell, "Why Doves of Foreign Profs Toil in U.S. Groves," Wall Street Journal, 29 March 1990.

doctorates, while foreign students get financial aid?<sup>4</sup> As part of this debate, Anthony DePalma notes in the New York Times that in 1992 universities supported 69% of foreign graduate student expenses, but only 42% of U.S. citizens received such aid.<sup>5</sup> Crudely put: the free marketeers see globalization dissolving the nation-state; conversely, nationalists see the nation-state as a bulwark.

Some argue that the free market is good for the nation-state. Following Joseph Nye's notion that traditional forms of military and economic influence have been replaced by a revitalized American cultural hegemony, America's post-Cold War "soft power," the Washington Post's Paul Blustein argues that America has the ability "to exert influence by dint of its pervasive culture, language and values," and in this new world order American universities play a central role.<sup>6</sup> Making the case that the educational free market is good for the nation, Blustein argues that "educating Asia's elites in such large numbers helps maintain U.S. superpower status," they will "go home with a very profound understanding of the American economy and the American educational system," they will be "more positively ... disposed toward the U.S.," and they will be more "likely to use American computers and other equipment," and finally, that foreign student tuition and living expense payments of \$5 billion annually directly benefit American universities and college towns and the nation's overall balance of payments. In contrast, others argue that America's hegemonic role in globalization processes is but a new form of imperialism. In a letter published in

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<sup>4</sup>William Raspberry, "Graduate School Mystery: Why Must Black Americans and Native Americans Go Into Debt To Finish Their Doctorates, While Foreign Students Get Financial Aid?," *Washington Post*, 6 January 1992.

<sup>5</sup>Anthony DePalma, "Fewer Black Men Get Ph.D.s," *International Herald Tribune*, ? April 1992.

<sup>6</sup>Paul Blustein, "A Hidden U.S. Export: Higher Education," *Washington Post*, 16 February 1992, H,1:1; Joseph S. Nye, "The Changing Nature of World Power," *Political Science Quarterly* 105, no. 2(- 1990): 177-192.

the New York Times, Jean Mayer, former President of Tufts University, argues that if we really were concerned about developing the Third World we would help them improve their educational systems by reserving an American education for those who would have the greatest "multiplier" effect on their countrymen on their return, and that is, those who would staff needy education and technical development programs.<sup>7</sup>

Otherwise, siphoning off the best foreign students for an American education, particularly as 50% of them end up residing in the U.S., contributes to the third world's "brain drain" and underdevelopment.<sup>8</sup> Mayer, also looks at dollars and argues that as tuition in elite U.S. schools averages \$20,000 per student, versus about \$4,000, say, in South Africa, educating foreign elites in the U.S. is not way cost effective; moreover, and in the case of South Africa it does not serve the cause of racial and economic integration.

While these debates are being played out American higher education has undergone a profound economic restructuring. That is, not only have foreign student registrations increased from 80,000 to 435,000 per year over the past decade, but over the same period costs for American students have increased some 141%. Generally speaking, higher education finance is being privatized, and what this means is that for those less well off access to higher education has been significantly limited and the middle classes have become burdened with significant debt. For the great majority of Americans, the educational opportunities that past generations took for granted are available at costs they may no longer be able to afford.

Factors commonly cited for the dramatic increase in university costs include increased expenses from new classroom and residential staff and equipment, additional administrative

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<sup>7</sup>Jean Mayer, "To Help Black South African Students," *New York Times*, 14 February 1990, A24:5.

<sup>8</sup>See also: Matt Moffett, "Brain Drain Slows Mexico's Development," *Wall Street Journal*, 5 May 1989, A10:1.

and non-professional support staff and facilities, increasing faculty and administrative salaries (including costly "star systems"), the use of tuition monies to subsidize financial aid, increasing costs for libraries and scientific equipment, and the costs of complying with increasing governmental regulations.<sup>9</sup> To pay for all this the universities have shifted to high tuition/high financial aid policies. At the same time, however, the federal government has scaled back student direct student aid in the form of grants and greatly expanded student loan programs.<sup>10</sup> Thus, where Pell grants covered 41% of the average 1980 college bill, they paid only 25% ten years later; where in 1980 31.5% of entering freshman were eligible, after a decade only 15.6% need apply.<sup>11</sup> During this period, the student loan program expanded 300%, from \$4.8 to \$12.3 billion annually.<sup>12</sup>

Students are not bearing this burden well. From 1984 to 1988 average graduating student indebtedness increased from about \$5,500 to \$7,500 dollars<sup>13</sup>; of \$52 billion in student loans outstanding in 1991 some \$12.3 was in default, and the annual default rate had increased tenfold over the past

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<sup>9</sup>Joseph Berger, "College Officials Defend Sharply Rising Tuition," *New York Times*, 23 March 1988, II,8:1; Karen DeWitt, "Battle Is Looming on U.S. College Aid to Poor Students," *New York Times*, 27 May 1991, I,1:6; Mary Jordan, "Rise in Research Cited As U.S. Tuitions Soar," *International Herald Tribune*, 16 September 1992; Fred M. Hechinger, "Why Is College Tuition So High? Families Want Answers, Not Excuses," *New York Times*, 25 April 1990; Robert Dunn, "Tuition 101: A Primer for Parents," *Washington Post*, 1 April 1990, C,2:1.

<sup>10</sup>Thomas P. Wallace, "The Inequities of Low Tuition," *Chronicle of Higher Education* 38, no. 30(1 April 1992): A48.

<sup>11</sup>Clifford Krauss, "Senate Votes to Expand Aid To Needy College Students: Democrats hope to make college aid an entitlement," *New York Times*, 22 February 1992, I,6:5; Deirdre Carmody, "Asians Increasing at U.S. Colleges," *New York Times*, 9 Nov 1988, II,10:3.

<sup>12</sup>Joseph J. Eglin, "Untangling Student Loans," *Society* 30, no. 2(January-February 1993): 52-59.

<sup>13</sup>(\$5,470 in 1984 to \$7,480 in 1988).

decade.<sup>14</sup> And according to one study, from 1987 to 1989 the number of students choosing colleges on the basis of low tuition increased from 23.4 to 27.75%, those having to live closer to home rose from 19.8 to 21.3%, and those whose plans were dictated by financial aid offers rose from 25.2 to 27.8%.<sup>15</sup> Consequently, American universities are becoming stratified along class lines at a greater rate than social stratification overall. From 1989 to 1992 the percentage of middle class students in the top 25 universities declined from 39% to 31%, the poorest 10% dropped slightly from 13% to 12.4%, and the richest 5%<sup>16</sup> increased from 31% to 37%.<sup>17</sup> Forced out, middle class students have swamped the state and community college systems, their 1992 enrollments increasing by 8% (to 5,334,000).<sup>18</sup> At the same time, however, state the recession and economic restructuring processes have led such states as California to slash education budgets and cancel thousands of community college classes.<sup>19</sup>

As more and more Americans find the cost of higher education prohibitive, the small, expensive private colleges

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<sup>14</sup>(from \$239 million in 1980 to \$3.6 billion in 1991)

<sup>15</sup>Deirdre Carmody, "Colleges Caught in Tuition-Student Aid Squeeze," *New York Times*, 5 April 1989, II,12:3; 12; NYT, "Quest for Solutions to Defaults on Student Loans," *New York Times*, 8 June 1988, I,26:1; NYT, "Slump Plays Role In Picking College: More Freshmen Are Deciding on Basis of Finances, Not Schooling, Survey Says," *New York Times*, 13 January 1992, A,12:6.

<sup>16</sup>of U.S. households by income, those earning over \$100,000

<sup>17</sup>Mary Jordan, "Retrograde-A: At Elite U.S. Colleges, Wealth Becomes Admission Factor," *International Herald Tribune*, 27 April 1992.

<sup>18</sup>Anthony DePalma, "Bad Times Force Universities To Rethink What They Are," *New York Times*, 3 February 1992a, A,1:1.

<sup>19</sup>Kit Lively, "California Colleges Worry About How to Live With Deep State Cuts," *Chronicle of Higher Education*, 9 September 1992, A25; Joyce Mercer, "2-Year Colleges in California Hit by Biggest-Ever Enrollment Decline," *Chronicle of Higher Education* 39, no. 27(10 March 1993): A32.



and universities have been forced to compete for increasing numbers of wealthy foreign students. At an average (1991-2) tuition of \$17,000, a few dozen make or break a university budget. Such strategies change the way universities do business. For some schools, marketing involves not only aggressive recruiting of Far Eastern elites, but seminar rooms themselves as prospective students and parents are invited to walk into scheduled seminars unannounced. Some professors complain that in leading discussion they must remain constantly on guard, keeping the conversation "safe" for fear of offending their guests, and that their course syllabi are being scrutinized and repackaged as a "product" for foreign consumption. Such challenges to the faculty's traditional responsibilities for instruction and the boundaries of academic freedom are associated with more general efforts to discipline academic environments. Where well-publicized, racially-motivated acts of violence on campus can have devastating effects on university budgets, administrations now feel they have little room to engage in the give-and-take of debate, soul-searching, or negotiation. Thus, compulsory multicultural education programs promise to reassure all that the situation is under control.

The globalization forces driving changes in public higher education are profound. In a fascinating recent series the Wall Street Journal describes industry fleeing the high-wage West, automation and re-engineering wiping out even service and professional sector jobs, down-sizing on a massive scale, and increasing reliance on contingent workforces;<sup>20</sup> where 500,000 jobs a year will be lost as defense is built-down, "re-engineering" alone will cost between a million and 2 1/2

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<sup>20</sup>G. Pascal and Bob Ortega Zachary, "Workplace Revolution Ups U.S. Productivity At Cost of Job Security," *Wall Street Journal Europe* XI, no. 30(12-13 March 1993): 1+; Clare Ansberry, "More U.S. Workers Are Forced to Take Low-Benefit Jobs," *Wall Street Journal Europe*, 15 March 1993, 1+; See also: Jeremy Rifkin, "A Risk: High-Tech Elites Ruling a Jobless Nation," *International Herald Tribune*, 26 February 1993, 5; Robert L. Borosage, "Taking Clinton's Domestic Program Global," *Washington Post National Weekly Edition*, 22-28 February 1993, 25.

million jobs each year nation-wide for the foreseeable future.<sup>21</sup> In theory, increased productivity is supposed to spur additional investment and investment should create jobs, but the Journal's articles express no confidence that this may apply. They cite instead examples of American industrial sites being used to train foreign design and management workers who will then return to their home countries, and as Asian labor costs are typically one third of those in the West they are taking the American jobs with them; the director of a computer company that shifted 200 of its 675 engineering positions to Singapore says: "is hard on some of the Americans ... training engineers overseas, knowing their jobs will shift abroad."<sup>22</sup> The series' final article anticipates the dismantling of the western social welfare states which these economic forces portend, and it fears social and political instability when their citizens wake up to what is happening to them.<sup>23</sup>

To accommodate these processes the Clinton Administration is attempting to develop high skilled workforces for competition in new high-tech industries and markets, as many Americans have learned through the new Labor Secretary and talk show personality Robert Reich. The argument is perhaps best understood through a brief outline of "The Competitive Advantage of Nations," by Michael E. Porter, one of Reich's colleagues at Harvard. The argument goes like this: Competitiveness depends on increases in productivity, productivity depends on innovation, and innovation depends on the strength, integrity, and complexity of labor, including

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<sup>21</sup>Al Ehrbar and Terence Roth, "'Re-Engineering' Gives Firms New Efficiency, Workers the Pink Slip," *Wall Street Journal Europe*, 19-20 March 1993, 1+.

<sup>22</sup>G. Pascal Zachary, "Like Factory Workers, Professional Face Loss of Jobs to Foreigners," *Wall Street Journal Europe*, 18 March 1993.

<sup>23</sup>Terence Roth and Charles Fleming, "As Jobless Total Hits 17 Million, Europeans Rethink Basic Policies," *Wall Street Journal Europe*, 17 March 1993, 1+.

its immediate social and technological infrastructure.<sup>24</sup> For Porter, labor is not a resource to be consumed from an ever-expanding pool and disposed of when convenient, as in supply-side economics, but a production factor which to be created, upgraded, and deployed. Moreover, these factors are best developed regionally. Thus, at best, this model suggests that developing labor is inseparable from developing a complex, sophisticated, and just social order.

Practically speaking, this strategy recognizes labor's need to adapt to an increasing diversity of skills, changes in production methods and regulation, changes in work assignments and job definitions, relocation, competition from marginal labor groups, differential wage scales and contracts, and the introduction of robotic and computer technologies. The increasing rapidity of product and production cycles and improvements in technical sophistication also require constant retraining, and while some corporations offer educational programs for entry-level training this strategy relies on public education. According to the Labor Department, 75% of the new entry-level jobs that will be created during the next five years will require such education as the community colleges provide, particularly for the medium-sized and smaller companies that now provide some 70% of the nation's jobs.

In some high unemployment areas, new "technology centers," funded by combinations of public and private monies, serve as training centers for business, and as "pivot points" for local economic development.<sup>25</sup> For example, BMW recently

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<sup>24</sup>Michael E. Porter, "The Competitive Advantage of Nations," *Harvard Business Review*, March-April 1990, 73-93.

<sup>25</sup>Anthony Flint, "Group Seeks to Specialize State Colleges," *Boston Globe*, 17 November 1991b; William E. Schmidt, "Community Colleges Emerge as Centers for Job Training," *New York Times*, 20 June 1988, I,1:5; Lester Thurow, "A Change in the Rules: It's Us vs. the World," *Boston Globe*, 21 April 1991; Anthony Flint, "Reformers' Panel Split On Plan For Colleges," *Boston Globe*, 7 January 1992, 8,4; John Holusha, "Graduate Study for Factory Hands," *New York Times*,

chose to build a new plant in Spartanburg, South Carolina, not only because the state offered \$130 million in finance, tax, and infrastructure incentives but because South Carolina offered an elaborate, state-funded, and cooperative pre-employment worker training program, including "training in technical skills, leadership-team building, new management techniques and youth apprenticeship programs," down to the last details of books, tools, manuals, classrooms, and instructors.<sup>26</sup>

The problem with such schemes is that, as they would reduce education to the narrow ends of economic development, they leave the nation's traditional commitment to democratic education far behind. This reduction is vividly expressed in the Brookings Institution's recent study, Keeping College Affordable, by Michael S. McPherson and Morton Owen Shapiro.<sup>27</sup> For these writers, education is a consumer good and should be priced accordingly: at the highest prices the market will bear. Using such terms as "social efficiency" and "human capital," they are singularly unconcerned with controlling costs, with questions of how much money educational institutions need to do this or that task, nor with evaluating educational expenses in respect to other social goods. While they assert that students "choose" to borrow, they nonetheless calculate that over the next decade public universities' dependence on student tuition should rise from 20 to 27% of all costs, and to pay for it they project a doubling of student borrowing.

While their system would "catch" the maximum of tuition monies from the rich, its most extensive machinery is designed

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29 December 1992.

<sup>26</sup>Robert M. Ady, "Why BMW Cruised Into Spartanburg," *Wall Street Journal Europe*, 24-25 July 1992; Michael J. McCarthy, "A Neue World: Why German Firms Choose the Carolinas To Build U.S. Plants," *Wall Street Journal Europe*, 5 May 1993, 1+.

<sup>27</sup>Michael S. McPherson and Morton Owen Schapiro, *Keeping College Affordable* (Washington, D.C.: Brookings Institution, 1991).

to determine precisely how much family and income group earn, they could and ought to pay, and insuring that they do pay. They would create an invasive information-gathering mechanism to record "parents' occupation and work history to impute ... a "savings expectation," and if parents failed to meet this expectation, their children will be punished: "... a family that "should" have been able to save, but elected not to, might remain eligible for unsubsidized loans but would not receive grant aid."(178) Thus, while they assert that "there is little evidence that existing levels of debt burden are insupportable for most students," they nonetheless recommend that the Internal Revenue Service be used as "the ultimate weapon" for enforcement of loan obligations. The poor with exceptional abilities and good behavior would be given open-ended federal government grants so that they could join the rich in choosing the best schools. For the rest, the authors recommend a state-financed, state-run system of technical schools and community colleges that would be free of charge, but limited "to persons whose eligibility would be decided jointly by the funding agency and the provider," thus "permitting the government to impose performance standards, allowing the supply of training in various fields to be tailored to regional labor market conditions, and regulating the costs of the training."(205) As reported in South Carolina, the state financed and managed technical educational system helps the electronics manufacturer Bosch to:

"... mold employees the Bosch way. Bosch won't even consider an applicant for a production-line job who hasn't attended a state-funded, pre-employment training program, complete with a session on Bosch history."<sup>26</sup>

Under such conditions only the "official" history will be taught, studied, and learned.

Let us be sure of what they are saying: they are saying that wealthy families get to send their kids wherever they

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<sup>26</sup>Michael J. McCarthy, "A Neue World: Why German Firms Choose the Carolinas To Build U.S. Plants," *Wall Street Journal Europe*, 5 May 1993, 1+.

like and the smartest among the poor will get to join them. They are saying that the rest will be "free" to borrow massive sums, only after parental incomes are monitored down the most exacting detail, and under condition that the IRS monitors paychecks for the following ten to twenty years it takes most to pay this money back. For Senator Claiborne Pell, chair of the Senate Subcommittee on Education, Arts and Humanities, such arrangements are undermining the democratic promise:

Ten years ago, the rate of grants to loans was about 3 to 1; now it's just the opposite, and that means some of these young people will be graduating from college as what I call an indentured class of persons, who will have to make their job decisions according to how much money they can make, not what their interests are.<sup>29</sup>

To the question of what the universities want to do with all this money we must consider Elliott Negin's recent article in Atlantic where he argues that in response to declining state and federal government revenues universities have sought other funding, and in 1980 with changes in patent law, built labs, hired expensive researchers, commercialized campus-based research, and used student tuition monies to do so.<sup>30</sup> The problem with this turn, however, is that dedication to applied research is often at the expense of undergraduate education, the promised financial returns have been minimal if at all, and thus the strategy boils down to a massive tax-payer subsidy. I would add to Negin's argument by noting that, with the university's dependence on student loans, this funding of corporate research is on the backs of students: that in ten

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<sup>29</sup>NYT, "Quest for Solutions to Defaults on Student Loans," *New York Times*, 8 June 1988, I,26:1; Williamson M. Evers, "Indentured Servitude," *New York Times*, 15 April 1989, I,27:2; Charles Moskos, "National Service in Exchange for Education: Does America Need a 'G.I. Bill' for Youth?," *New York Times*, 15 April 1989, I,27:2.

<sup>30</sup>Elliott Negin, "Why College Tuitions Are So High," *Atlantic* 271, no. 3(March 1993): 32-44; Mary Jordan, "Rise in Research Cited As U.S. Tuitions Soar," *International Herald Tribune*, 16 September 1992; Robert Dunn, "Tuition 101: A Primer for Parents," *Washington Post*, 1 April 1990, C,2:1; For a compelling account of corporate involvement in Canadian universities see: Janice Newson and Howard Buchbinder, *The University Means Business* (Toronto: Garamond Press, 1988).

years the burden of higher education has been shifted from parents paying out of their taxes and savings to students out of their future earnings. This shift is consistent with 1980s generational politics generally.<sup>31</sup>

Where the Master Plan spoke of opportunity for all and supported a massive expansion that aimed to deliver on this promise, such schemes as the Brookings Institution recommends equates citizenship with people's ability to pay. Moreover, in its rationing of indebtedness it is rationing access and imagining a kind of educational and political triage. Thus, when they distinguish between a college education that "generates significant externalities, in the form of greater political participation, better understanding of public issues, and so on" and "vocational training (which) simply provides private benefits, by giving individuals access to better jobs," they are rationalizing the disenfranchisement of an entire class.

I think it is not by accident that the major restructuring of higher education I describe here is associated with recent talk of "diversity". Capital's current ambitions to discipline the working classes could not find a better ally than the multiculturalisms that thrive among governmental and university bureaucracies and which consider traditional affirmative action, civil rights, and organized black religious communities "provincial." Multiculturalism's campus strategies of ethnic dorms, a segregated social life, and identity politics will have nothing to do with bleak landscapes characterizing many modern American inner cities or the social and political movements committed to improving

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<sup>31</sup>Jon and Rob Nelson Cowan, "Time to Stop Beggaring The Young," *International Herald Tribune*, 16 February 1993; Hobart Rowan, "Seniors, Too, Must Sacrifice," *Washington Post National Weekly Edition*, 15-21 February 1993, 5; Joseph Berger, "Teacher Retirements Bring Savings, At a Cost to Classes," *New York Times*, 22 January 1993; Joseph P. Shapiro, "Just Fix It! The Twentysomething Rebels' Battle Plan Is to Repair the Damage Their Elders Wrought and Chart a New Course," *U.S. News & World Report* 114, no. 7(22 February 1993): 50-58.



them: the tone of idealism and self-sacrifice characteristic of the heroic phase of the civil rights and free speech movements has long departed. While multiculturalism builds an otherwise justified outrage over the truly horrible facts of the slavery of African-Americans, the genocide of Native Americans, and the exploitation of many others, it does not examine critically the corporatism under whose wing it remains sheltered and alongside whom it would immobilize a white middle-class whose labor is now disposable in the context of mobile labor forces, whose hard won entitlements are considered a drag on the economy, and whose traditional civic ideologies are no longer convenient. Multiculturalism works overtime to accommodate forces which, for the most part, are not racial in nature: the driving of many of the worlds citizenry out of their homelands by warfare, political conflict, and global economic processes; their migration facilitated by advances in transportation and communication, the collapsing of political borders, and the spreading of cosmopolitan cultures; and their attraction to the United States by the promise of a high standard of living, the excellence of its higher education system, and assimilation policies that welcome them -- promises the nation-state is finding more and more difficult to guarantee to its own citizenry. Keeping College Affordable recommends a kind of educational triage in a post-Keynesian world where the foundations of the Master Plan have been undone: a world that no longer sees education as the key to social development, that denies that all citizens have the right to it, and which believes that the "social interest" starts from the top down. America and American political culture is utterly unlike the Balkans and I think it is a mistake to treat as a problem of ethnic identity a competition between peoples whose bases lies in an intensified competition between nations -- a competition that merely happens to involve people of different ethnic groups. To view these conflicts in ethnic terms and imagine a multicultural cosmopolitanism, as James Fallows, Mickey Kaus, or Walter Russell Mead might see it, is to avoid the compelling debates over the fundamental challenges now being posed to all western democracies by a global economy that



feels no allegiance to any one of them and would use them, and their universities, to its own ends.<sup>32</sup> "Corporate multiculturalism," as Mike Davis describes it in his studies of Los Angeles's upscale arts consumers in the context of Pacific Rim development, functions as "an emerging network of transactions between elite cultural institutions, and {is} designed to pluralize the tastes ... a 'new regionalism' aiming to forge a unity of vision between mega-developers and the haute intelligentsia."<sup>33</sup>

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<sup>32</sup>James Fallows, *More Like Us* (Boston: Houghton Mifflin Company, 1989); Mickey Kaus, *The End of Equality* (New York: Basic Books, 1992); Walter Russell Mead, "Bushism, Found," *Harper's Magazine* 285, no. 1708 (September 1992): 37-45; Flora Lewis, "Democracy Needs to Improve On the Nation-State," *International Herald Tribune*, 14 May 1992; E.J. Dionne, Jr., "Free Trade Is on a Collision Course With Democracy," *International Herald Tribune*, 1 April 1993; Robert L. Borosage, "Taking Clinton's Domestic Program Global," *Washington Post National Weekly Edition*, 22-28 February 1993, 25.

<sup>33</sup>Mike Davis, *City of Quartz* (New York: Verso, 1991), 70-83.