

Understanding the Rise of American Higher Education:
How Complexity Breeds Autonomy

David F. Labaree

Professor
School of Education
485 Lasuen Mall
Stanford University
Stanford, CA 94305-3096
Phone: 650-269-1748
E-mail: dlabaree@stanford.edu
Web: <http://www.stanford.edu/~dlabaree/>

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Abstract: This essay shows how the peculiar structure of American higher education helps explain its success in world rankings. This structure combines contradictory goals, constituencies, sources of funds, and forms of authority in a creative tension. One tension is between the market and the state. Another is across three visions of higher education – the undergraduate college (populist), graduate school (elitist), and land grant college (practical). A third is the system's combination of traditional, rational, and charismatic authority. In combination, these promote organizational complexity, radical stratification, broad political and financial support, partial autonomy, and adaptive entrepreneurial behavior.

This is a story about the peculiar nature of American higher education and about what made this system so successful.¹ Following the plotline of a Horatio Alger story, this institution moved from rags in the mid 19th century to riches in the late 20th century, from parochialism and academic disrepute to global reach and broad esteem. The question is why this happened.

Success stories are considered suspect by most scholars, and for good reason. They often reek of triumphalism and wish fulfillment. For a long time, the history of American education was a relentless story of progress and the triumph of the American way. But since the 1960s, this history has turned critical. Now we tell stories about educational reforms that fail and about a system that reinforces social inequality under the veneer of merit. Yet the account I provide in this paper turns out to be an educational success story – if only in a very narrow sense of the word. For the purposes at hand, I am defining success in the simple terms of position in the academic status order. The aim is to identify the structural characteristics that have made the institution of American higher education so prominent and influential in the world: that have put it at the top of global rankings of universities; that have made it a recipient and generator of so much wealth; that have drawn to it so many talented students and faculty; that have prompted it to produce so many widely cited publications; and that have led so many others to imitate it.

Framed this way, my approach to educational success is deliberately superficial, focusing on the form of higher education rather than its substance, on its status within the academic hierarchy rather than its role in producing knowledge and spreading learning. Of course, these matters of form are hugely consequential for colleges and universities, affecting everything from their wealth to their drawing power. By focusing on the position of American higher education in the status order, however, I am not arguing that, compared to its international competitors, the American system provides better education, more human capital, greater social equality, higher creativity, or a richer enhancement of the public good. In fact, I have argued elsewhere that this system often undermines these educational outcomes: in many ways it turns higher education into a mechanism for promoting social mobility more than learning, acquiring credentials more than useful skills, preserving social inequality under guise of educational opportunity, and reinforcing the view of education as a private rather than public good (Labaree 1988; 1997). The system works so well for students who attend the schools at the top (leading research universities) in large part because it works so badly for students who attend the schools at the bottom (community colleges). The successes at one end of the system tend to mask the failures at the other end.

Here, however, I am pursuing a more limited argument, which is about the system's structure rather than its substantive impact on society. I am simply trying to sketch the conditions of development that allowed this system to climb so quickly and decisively to the top of the academic heap. Given the sweeping scope of this paper's mission – to characterize the structural distinctiveness and historical contingencies that have defined the huge and complex system of American higher education – the story I tell here will be necessarily thin on detail. It is not a research paper, whose claims are built on the careful accumulation of validating evidence, but a conceptual essay, which aims to spell out a few key characteristics of the American system that may be helpful in framing and synthesizing the substantial amount of research on this system that already exists. For readers who know the literature, pieces of this story are likely to be familiar; but my aim is to put those pieces together in a way that provides a fresh angle on the subject.

So what has made the U.S. system so successful in climbing the international rankings? The short answer is that the system's success is the result of a characteristic that is often portrayed as a central flaw, its astonishing complexity. And complexity is key because in this case it leads to institutional autonomy. In essence, American colleges and universities are easy to influence but hard to control; they respond adeptly to stimuli in their environment, but they are equally adept at maintaining their independence. In most countries around the world, higher education is under direct control of the state, but U.S. colleges and universities are able to fend off state control by acting as semi-independent entrepreneurs in the educational market. They can do this because they have accumulated a contradictory array of goals, constituencies, sources of funds, and forms of authority, all of which help preserve them from domination by any one of these. They simultaneously provide mass education in undergraduate colleges, elite education and abstruse scholarship in graduate schools, and practical knowledge in vocational programs and applied research. This mixture of the populist, elitist, and practical gives them wide-ranging constituencies that provide a broad political base of support and a diverse mix of revenue streams. At the same time, they operate under mixed modes of authority – a combination of bureaucratic structure, medieval tradition, and scholarly charisma – which make for a complex organization that often seems unmanageable but that thereby avoids being easily rationalized or brought to heel. Out of all this contradiction and confusion comes a syncretic system that has proven to be remarkably adaptive, producing relatively autonomous and entrepreneurial colleges and universities that are able to thrive in a shifting competitive environment.²

A Success Story and Its Roots

To help set up the story, let me start with a few statistics. The American university, of course, has its roots in Europe; and the European university is itself one of the great institutional success stories of all time. Clark Kerr (2001, 115) pointed this out with some dramatic numbers. By his count, “About eighty-five institutions in the Western world established by 1520 still exist in recognizable forms, with similar functions and with unbroken histories....” Included in this group are “the Catholic church, the Parliaments of the Isle of Man, of Iceland, and of Great Britain, several Swiss

cantons, and seventy universities.” So universities constitute 70 of the 85 longest-lived European institutions in the last 500 years. As he notes,

Kings that rule, feudal lords with vassals, and guilds with monopolies are all gone. These seventy universities, however, are still in the same locations with some of the same buildings, with professors and students doing much the same things, and with governance carried on in much the same ways.

There must be something special about these institutions that gives them such incredible durability.

American universities cannot compete with their European counterparts in the longevity sweepstakes, but they have done amazingly well in the short time they have been in existence. Consider a recent effort to rank the top 500 universities in the world by the Institute of Higher Education at Shanghai Jiao Tong University (Institute of Higher Education, 2008), using criteria like academic citations and Nobel prizes. This ranking shows that 170 of the top 500 universities in the world are American; but the proportion gets progressively higher the closer you get to the top. American universities are 54 of the top 100, 36 of the top 50, and 17 of the top 20. Only two non-U.S. universities make it into the top 10, Cambridge and Oxford. Now one can quibble about the criteria used in this or any other ranking system; but it is hard to deny that U.S. universities, although late arrivals on the scene, have done remarkably well. Other ranking systems show a similar pattern. The Newsweek International Edition (2006) shows the U.S. with 17 of the top 20 universities; the G-Factor rankings (based on Google’s count of links between university websites), also sets the number at 17 (University Metrics, 2006); the Times Higher Education Supplement (2009) counts 13 (including 6 of the top 10).

So what accounts for the astonishing rise by American universities in the last 100 years? One explanation is the ascendancy of the U.S. to a position of economic, military, and cultural dominance in the 20th century. Wealth and power have certainly been important factors in shaping the influence of American higher education, providing this system with deep financial resources and a rich array of international academic talent. A second is the emergence of English as the prime international language, which has given U.S. universities an enormous advantage in reaching a world audience and drawing world class talent. A third is the two world wars of the 20th century, which devastated European universities while at the same time funneling large amounts to war-related research money to their protected American counterparts, and the cold war, which prompted the U.S. to invest even more money in university research.³ All of these elements have given American universities a significant competitive advantage. In their absence, the dominance of American universities would probably never have developed.

However, I choose not to focus on these powerful contextual factors. Instead, I examine the structural elements within the emerging system of American higher education, which allowed this system to capitalize on the opportunities granted it by wealth, power, linguistic dominance, geographic isolation, and research investments. Without denying the importance of national might, therefore, I focus on some less obvious but also compelling reasons for the dominance of the U.S. university. By the time all of these advantages came its way in the mid 20th century, the American system of higher education already had a combination of broad-based political support, large

multiple sources of revenue, institutional autonomy, and organizational capacity – all of which allowed it to make the most of the emerging historical possibilities.

Balancing Politics and Markets

To understand the success of American universities, we need to go back to a basic tension that lies at the heart of liberal democracy on both sides of the Atlantic. This is the tension between democratic politics, with its preference for equality, and liberal markets, with their tolerance of inequality. In higher education, these propensities play themselves out in the form of a tension between two contradictory principles, accessibility and exclusivity, between admitting everyone and limiting access to the elite. This political tension is at the heart of the politics of higher education in both Europe and the U.S. And in both places, the mechanism for diffusing this tension is the same. What allows us to accommodate both our democratic and our liberal tendencies in higher education is the magic of stratification. We can make universities both accessible and elitist by creating a pyramid of institutions in which access is inclusive at the bottom and exclusive at the top. Such a system simultaneously extends opportunity and protects privilege. It offers everyone the possibility of getting ahead through higher education and the probability of not getting ahead very far. It creates a structure in which universities are formally equal but functionally quite different; where those institutions that are most accessible provide the least social benefit, and those that are the least accessible open the most doors.

However, although stratification is the generic way liberal democracies balance politics and markets in higher education, there are significant differences in degree. And this leads to the heart of my argument. A central element that distinguishes American colleges and universities from their European counterparts is that they are substantially more oriented toward the market. And a primary consequence of this market orientation is that the American system of higher education expresses a more pronounced form of institutional stratification, with a markedly greater distance between the top and the bottom. Many of the differences between American and other universities derive from the fact that the former are more sensitive to market forces and thus both more eager and more able to pursue advancement in the higher education hierarchy.

In the following section, I examine the way in which American higher education is organized around an educational market, fostering a kind of entrepreneurial autonomy. Then I look at how this market orientation shaped the evolution of an extraordinarily stratified system of higher education in the U.S. Next I turn from markets to politics, examining the peculiar balance of political purposes and constituencies that have shaped the system and reinforced its broad base of support and its independence. Then I compare the American system with the medieval university, showing how both attained considerable autonomy by operating in the space between the state and a countervailing force. Finally, I consider how the American university has inherited a mixed mode of authority, which helps reinforce its distinctive mode of organization and its ability to manage the external forces that seek to control it.

The Market-Orientation of American Higher Education

The market came late in world history, but it was there at the beginning of American history. Consider a simple comparison. Leon Trotsky argued that Russia skipped the liberal stage of development by moving directly from feudalism to communism, whereas Louis Hartz (1955, 3) argued that the United States, capitalizing on its late emergence, skipped the feudal stage by being born as a liberal society. Martin Trow (1988, 1999, 2001) developed this insight into a rich explanation for the early development and rapid success of American higher education, which provides the foundation for much of the analysis in this section of the paper. Consider some of the numbers he gives. Before the Revolution, the American colonies had 9 colleges while the mother country had two. By the Civil War, the U.S. total had grown to 250. In 1880, the colleges in England had grown to four, while the state of Ohio alone had 37. “By 1910, we had nearly a thousand colleges and universities with a third of a million students – at a time when the 16 universities in France enrolled altogether about 40,000 students, a number nearly equaled by the American faculty members at the time” (Trow, 1988, 15).

The market environment, Trow argues, fostered a peculiar kind of organization and governance in American colleges from the very start. Unlike their European counterparts, early American colleges emerged as corporate nonprofit entities, with state charters but modest state support. By the middle of the 19th century, states had founded a number of colleges and universities, which quickly became the growth sector in American higher education; but these formally public institutions received only a portion of their funding from government. Overall state appropriations at all institutions of higher education fluctuated around 20 to 30 percent of total revenue during the 20th century (NCES, 1993, fig. 20). The share of public university budgets coming from state appropriations grew to a peak in the mid 20th century and then has declined steadily to the present. By the end of the 20th century, public institutions of higher education received about 36 percent of funds from state appropriations, with another 11 percent and 4 percent from federal and local governments (NCES, 2002, fig. 18).

By the start of the 21st century, public research universities may receive as little as 10 percent from the state. The rest comes from market-based sources such as research grants, patents, sales, services, donations, endowments, and tuition. All of these other sources of revenue are largely independent of state control, and pursuing them calls for a form of organization that allows, even mandates, leaders of institutions of higher education to operate like entrepreneurs in the educational marketplace. To survive and prosper, a college or university needs to be adept at attracting the tuition dollars of students, the donations of graduates, and a variety of other revenue streams like grants and patents and fees for services; and this means competing with peer institutions for access to these same revenue sources. In the 18th and 19th centuries, the primary source of market-based revenue was students, and this source has continued to be significant even after other sources of non-state revenue have grown substantially.

A distinctive trait of American universities is their dependence on tuition. This dependence is greater for private institutions, which lack base funding from the state, but public universities also depend on tuition because of their need to supplement inadequate state subsidies and provide funds that can be spent without being subject to state guidelines. In the early to mid 20th century, a few states (most notably California) offered free tuition, but this experiment disappeared in the latter part of the century, as taxpayer

revolts and competing fiscal demands left state appropriations lagging behind the growth in expenses. Over the course of the 20th century, tuition fluctuated around 20 to 25 percent of total revenues for all institutions of higher education; and by the end of the century, tuition accounted for about 28 percent of revenues at private schools and 19 percent at public schools (NCES, 1993, fig. 20; NCES, 2002, fig. 18 and 19).

In sharp contrast, European universities have long been financially dependent almost entirely on the state; especially in Northern Europe, most universities have been unable to levy any charges for tuition and fees, a situation that only began to change in the 1990s. What a difference this difference in funding has made between American and European universities. Reliance on market revenues means that American colleges have always had to be nimble actors in a competitive environment. They have to attract and retain students, position themselves astutely in relation to competitors, adapt to changes in consumer demand and social conditions, lure contributions and bequests, and creatively pursue other forms of outside revenue. This calls for distinctive forms of governance, organization, and curriculum.

At the heart of the American model of university governance, as Trow shows, is an independent board of trustees, dominated not by government officials or academics but laypersons. This board serves as a buffer between university and state, a counterweight to the influence of the faculty, and a conduit to the real world of practical pursuits in a market society. The board appoints the president, who, in the American system, is a remarkably strong figure posed against a rather weak faculty. The relative strength of these two elements varies directly with the university's position in the status order, with the power of the faculty rising as one moves from the bottom to the top of the system. But even at elite institutions, American university presidents enjoy a degree of autonomous power that is unthinkable in European universities, where traditionally professors rule.⁴

A strong president backed by a lay board serves as the CEO of a market-oriented educational enterprise, and the structure of the institution follows suit. One result is an extraordinary amount of institutional variation, as individual colleges try to segment the market, addressing particular consumer preferences at each rung in the status ladder. A second is a strong emphasis on student choice, encouraging consumers to select from a wide array of programs and courses without a lot of restrictive curriculum requirements. A third is an emphasis on general over specialized education. Grounded in a system that Ralph Turner (1960) calls "contest mobility," this approach mandates a curriculum that focuses on breadth rather than depth in an effort to meet the consumer demand for an education that provides access to the broadest array of social opportunities. Finally, the market-oriented American model of higher education invented an ingenious mechanism for measuring academic attainment known as the credit hour, which focuses on the time students spend in class rather than the amount of learning they acquire. Credits have become a useful form of academic currency in the educational market. This currency allows students to graduate with an infinitely diverse array of course choices, as long as they add up to the required number of credits for a degree; and it serves as a useful medium of exchange between colleges, promoting easy transfer from one institution to another.

This strong market-orientation means that the American system of higher education is unusually independent of the state and dependent on the consumer.⁵ It also

means that the system is extraordinarily stratified. Let us look at the way the stratified structure of the system developed over time.

The Result: A Highly Stratified System

A market-oriented system of higher education has a special dynamic that leads to a high degree of stratification. Each educational enterprise competes with the others to establish a position in the market that will allow it to draw students, generate a comfortable surplus of income over expenses, and maintain this situation over time. The problem is that, given the absence of effective state limits on the establishment and expansion of higher education institutions, colleges find themselves in a buyer's market. Individual buyers may want one kind of program or learning experience more than another, which gives colleges an incentive to differentiate the market horizontally in order to accommodate these various curricular demands. Thus the enormous diversity in types of colleges and program offerings.

At the same time, however, buyers in the higher education market have one overarching goal in common: they want a college diploma that will help them get ahead socially. This means that consumers do not just want a college education that is different, they want one that is better: better at opening doors, better at providing access to higher paying jobs, and better at giving an advantage over other college graduates seeking the same ends. As a result, they want and need a system of higher education that is not only differentiated horizontally by educational function but also differentiated vertically by social outcome. In response to this consumer demand, the U.S. has developed a multi-tiered hierarchy of higher education, ranging from open access institutions at the bottom to highly exclusive institutions at the top, with each of the upper tier institutions offering graduates a degree that provides invidious distinction over graduates from schools in the lower tiers.

This stratified structure of higher education arose in a dynamic market system, in which the institutional actors had to operate according to four basic rules. Rule One: Age trumps youth. It is no accident that the oldest American colleges are overrepresented in the top tier of institutions today. Of the top 20 U.S. universities (U.S. News, 2006), 19 were founded before 1900 and 7 before 1776; whereas out of all of the approximately 1800 accredited four-year institutions in the U.S.⁶ listed in the *Encarta 2000 New World Almanac*, over half were founded after 1900 and more than 99 percent after the revolution. Before a flood of competitors could enter the field, the oldest institutions had already established their reputations, institutionalized their role in training the country's leaders, locked up access to the wealthiest families, accumulated substantial endowments, and hired the most capable faculty. Newcomers had to start from scratch in each of these domains, which made it difficult for them to compete on the same terrain.

Rule Two: Rewards go to those at the top of the system. This means that every institution below the top tier has a strong incentive to move up the ladder. It also means that top institutions have a strong incentive to fend off competitors and preserve their advantage. Since the top of the system is populated by well established institutions (see Rule One), it is very difficult for lower level institutions to move up; but this does not keep them from trying. At stake is the enormous power, money, and prestige available to

the top schools, and all the benefits that these resources bring to the faculty, students, administration, and alumni of these schools. So even though the odds of succeeding are long, the possible payoff is big enough that everyone stays focused on the tier above. And there are a few major success stories that allow institutions to keep their hopes alive. University presidents lie awake at night dreaming of following the route to the top forged by relative newcomers like Hopkins, Chicago, and Stanford.

Rule Three: It pays to imitate your betters. As the research university emerged as the model for the top tier in American higher education in the 20th century, it became the ideal toward which all other institutions sought to move. To get ahead you need to offer a full array of undergraduate, graduate, and professional programs; you need selective admissions and professors who publish; you need a school song, a football stadium, and Gothic architecture; in short, you need a tick mark next to every item on the research university checklist, no matter how trivial. (David Riesman (1958) called this structure of imitation “the academic procession.”) Of course, given the competitive advantages enjoyed by the top tier, slavish imitation by those below rarely produces the desired results. But it is the only game in town, and it just might work. Even if you do not move up in the rankings, you at least help reassure your school’s various constituencies that they are associated with something that looks like and feels like a real university.

Rule Four: To preserve the advantage of the top institutions, the system tends to expand by creating new schools rather than by increasing enrollments at existing schools. Periodically new waves of educational consumers push for access to higher education. Initially, existing schools expanded to meet the demand, which meant that as late as 1900 Harvard was the largest U.S. university, public or private (Geiger, 2004, 270). But beyond this point in the growth process it was not in the interest of existing institutions to provide such access. Concerned about protecting their institutional advantage, they had no desire to sully their hard-won distinction by admitting the unwashed. Better to have this kind of thing done by additional schools created for that purpose. The new schools emerged, then, as a clearly designated lower tier in the system, defined as such by both their newness and their accessibility.

Think about how these rules have shaped the historical process that produced the present stratified structure of higher education. This structure has four tiers. In line with Rule One, these tiers emerged in roughly chronological order from top to bottom. There are a number of exceptions, but chronology provides a good first approximation of rank. The Ivy League colleges emerged in the colonial period, followed by a series of flagship state colleges in the early and mid 19th century. These institutions, along with a few social climbers that emerged later, grew to become the core of elite research universities that make up the top tier of the system. Schools in this tier are the most influential, prestigious, well funded, exclusive, research-productive, and graduate-oriented – in the U.S. and in the world.

The second tier emerged from the land grant colleges that began to appear in the mid to late 19th century. They were created to fill a need not met by existing institutions, expanding access for a broader array of students and offering programs with practical application in areas like agriculture and engineering. They were often distinguished from the flagship research university by the word “state” in their title – as in Michigan and Michigan State, Washington and Washington State. But, in line with Rules Two and Three, they responded to consumer demand by quickly evolving into full service colleges

and universities; and in the 20th century they adopted the form and function of the research university, although without the same clout and credibility.

The third tier arose from the normal schools that were established in the late 19th century to prepare teachers. Like the land grant schools that preceded them, these narrowly vocational institutions evolved quickly under pressure from the educational consumer, who wanted them to model themselves after the institutions in the top tiers by offering a more valuable set of credentials in order to provide access to a more expansive array of social opportunities. Under these market pressures, the normal schools gradually evolved into teachers colleges, general-purpose state colleges, and finally, by the 1960s, regional state universities.

The fourth tier emerged from the junior colleges that first arose in the early 20th century and eventually evolved into an extensive system of community colleges. Like the land grant college and normal school, these institutions offered access to a new set of students at a lower level of the system.⁷ Unlike their predecessors, in general they have not been allowed by state governments to imitate the university model, remaining for the most part two year schools. But through the transfer option, many students use them as a less expensive and more accessible route into education in upper tier institutions.

This four-tier structure of American higher education leaves out some crucial elements of the complex American system: religious institutions and liberal arts colleges.⁸ How do those schools fit into this picture? First, each of these institutional types occupies a particular market niche with its own parallel hierarchy, ranging from low to high status, from inclusive to exclusive. For religious schools, for example, we can easily rank the top Catholic universities (Notre Dame, Georgetown, etc.) just the way we do the best nondenominational institutions. Also, religious colleges are becoming increasingly indistinguishable from the secular private colleges, as market pressure forces them to imitate their competitors. As for liberal arts colleges, *US News* has a special ranking for this sector, parallel to the ranking for national universities. To some extent, then, these two types of institutions replicate the broader hierarchy I am talking about.

Second, liberal arts colleges also often act as feeder systems into graduate programs in research universities, providing an alternative to an undergraduate university education. The name “liberal” is a proud assertion of their claim to academic prestige in an educational hierarchy where academic programs rate high and vocational programs low.⁹ Thus, although liberal arts colleges have their own hierarchy, they also claim a special place as preparatory institutions for graduate study at the top universities. In this sense they represent a high-track alternative to the low-track community college. Community colleges provide a vocationally-tinged, easy-access way to pick up the first two years of college and then transfer to a four-year institution; whereas liberal arts colleges provide an academic and exclusive undergraduate education and privileged access to the best graduate schools.

Consider where this leaves us at the present point in my story. As a market driven system, American higher education has developed a four-tiered hierarchy of institutions. These tiers are distinguished from each other by degree of access (which is greatest at the bottom) and degree of social advantage (which is greatest at the top). But one thing the three top tiers have in common is convergence around a single organizational ideal, the research university. Most end up as pale imitations of the real thing, but this ideal is inescapably attractive to institutions at all levels of the system.

The Broad Political Base of Support for U.S. Higher Education

If one major factor that differentiates the canonical form of the university in the U.S. from the European model is the depth of its dependence on the market, another is the breadth of its political base of support. Clark Kerr (2001, 7-14) argues persuasively that the American university is actually a fusion of three models, two imported and one home-grown. These are the English undergraduate college, the German research university, and the American land-grant college. My own spin on this important insight is that one of the things that helps account for the success of the American university is not just the combination of these three elements but the ability to syncretize these contradictory visions, both within the higher education system as a whole and within individual institutions. Each provides important strengths to the whole, with each helping to compensate for some of the disadvantages brought by the others.

These three models operate at two levels in shaping American higher education. At one level, they represent the tiers of the system, with the lower levels focusing on mass education of undergraduates, the top tier focusing on graduate education and scholarship, and the middle tiers focusing on practical education and applied research. At another level, however, they all can be found operating within the research university.

The college is the populist element. It brings in large numbers of undergraduates, who support the rest of the operation financially. Unlike advanced graduate students, they pay tuition and support doctoral candidates who serve as teaching assistants. After graduation, they go on to make more money than most doctoral students, and then constitute the core of donors who pump up the university endowment. The contribution of undergraduates is more than just financial, however; it is also political. Drawing in a wide array of students from the community gives the university a broad base of political support, with large numbers of students and alumni serving as links between the public and an institution that, without a large undergraduate program, could easily seem distant and obscure. Reinforcing this populist element are the university's sports programs, which make its logo and school colors part of the regional culture.

Because of these considerations, American universities have become quite skillful at attracting undergraduates and keeping them happy. They foster, or at least tolerate, an active social life, provide a variety of athletic and cultural entertainments, establish a comfortable on-campus life style, and take care not to set up a curriculum that is too constricting or standards of academic performance that are too demanding. In the American model of higher education, providing undergraduates with health clubs, food courts, and inflated grades is not too high a price to pay in order to support the larger university enterprise. Although this pragmatic stance toward undergraduates is a potential source of academic weakness, it is a key element of the American university's characteristic institutional strength.

The research university is the elitist element. It focuses on establishing academic credibility for the institution at the highest level. This means hiring professors who are the most productive researchers and most esteemed scholars, attracting the most skilled graduate students, and developing the most sophisticated research facilities. All these are essential in order to provide a solid academic grounding for the university's reputation, and they are the factors that play most heavily in confirming the university's position in

ranking systems. They are all that keeps many universities from being known primarily as good party schools.¹⁰

But these things are also enormously expensive. Research grants and patents help to allay much of the cost; but these sources are not sufficient in themselves to compensate for high salaries, low teaching loads, and high graduate-student support costs; and they tend to fluctuate unnervingly over time. A steady stream of income from tuition-paying undergraduates helps fill the gaps and smooth the fluctuations. Another problem is that the graduate research element of the university is potentially off-putting to the broader political base. If it were not for the institution's populist aura, arising largely from undergraduates and sports, the elitist graduate university would be lacking the kind of broad public support that it has tended to enjoy in the U.S., making it our university rather than theirs. For contrast, consider the history of the German university. Germany invented the graduate research-oriented university in the mid 19th century, setting the standard for the world; but by focusing on the elitist at the expense of the populist, these institutions fell in academic standing in the late 20th century, for lack of sufficient political support and public funding. By 2008, no German universities were ranked in the top 50 in the world (Institute of Higher Education, 2008).

The land grant college is the practical element in framing the politics of American higher education. Native to the U.S., it adds a crucial third ingredient to the mix by providing utility. This helps the university establish its practical relevance, its contribution to public problems, its support for economic growth, and its salience as a community institution. The practical dimension helps support the enterprise, both with an infusion of contracts and grants and with a political rationale for public subsidy. It allows the university to tell the community: We are not just providing liberal undergraduate education for your children with a frosting of academic elitism; we are also providing a practical education in vocationally useful skills that will prepare students to be adept practitioners in professional roles. In addition, we are solving important practical problems in the region through our extensive efforts at applied research, supporting industry and agriculture and enhancing the local ecology. For example, land grant universities have extensive systems of county-level agricultural extension agents, who apply university research to practical problems in the community (now extending well beyond help for farmers) and who act like ward leaders in a state-wide political machine, drumming up popular support for the not-so-distant research university.

One secret to the institutional success of the American university, therefore, is its ability to combine these three elements: the populist, the elitist, and the practical.

The Medieval University as a Model for Institutional Autonomy

So far I have been focusing almost exclusively on the American university. Now we need to review the back-story for this institution by exploring several elements in the history of its European predecessors. My aim is to make comparisons that might give a better picture of the workings of the American model. For this purpose, I draw on two seminal books that provide insight into the historical development of the European university. The first is a collection of lectures by Emile Durkheim (1938/1969) called *The Evolution of Educational Thought: Lectures on the Formation and Development of Secondary Education in France*. He finds the roots of secondary education in the liberal

arts curriculum of the medieval university, and his depiction of the latter institution is strikingly useful for our purposes.

Durkheim shows that the first universities in Europe emerged in the medieval period under circumstances that were unusually favorable for their ability to survive and thrive. As we have already seen, 70 of them are still in existence, so they must have been doing something right. He attributes part of their early success to their ability to position themselves adeptly within the bipolar medieval world. There were two largely equal centers of power, wealth, and public legitimacy in medieval life, the church and the state. The university emerged in the space between these two, an interstitial institution rather than one beholden to one side or the other. It used the church to protect it from the king and local lord, drawing on ecclesiastical influence and clerical immunities to keep civil authority from intruding on university life. It used the king and lord to protect it from the church, drawing on state decrees and local authority to preserve its independence from the Vatican and the diocese. It also used the king against the lord and used the pope against the bishop. And it exercised its own corporate powers as a guild of teachers to keep both church and state at bay, through the use of the boycott (refusing to accept candidates into the guild) and the strike (refusing to teach). Poised between competing centers of power, able to play one against the other, the European university managed to develop its own institutional structure and traditions with remarkably little interference.¹¹ Allowed to get a good running start, the university had become largely unstoppable and indispensable by the time of the emergence of the modern nation state.

Another book picks up the story at that transition point: William Clark's *Academic Charisma and the Origins of the Research University* (2006). Clark looks at the historical development of the university in Germany from the medieval to the modern period. He grounds his analysis in Max Weber's typology of forms of authority: traditional, rational, and charismatic (Weber, 1978, 215-216). He argues that the medieval university in Germany was grounded in traditional authority, with its roots in the guild of master teachers, who by tradition set the terms for admission, the curriculum, and the standards for graduation. In the early modern period, the institution went through a process of transition that exposed it to the rational-legal demands of the emerging state, making it increasingly subordinate to the state bureaucracy, which fostered a rationalized university structure responsive to the state's economic and political needs. Much of the story he tells is about the ways in which state control gradually intruded on the traditional form of the university (described by Durkheim) and transformed professors, curriculum, students, and degrees into extensions of the utilitarian purposes of the modern state. Clark argues that the state was particularly intrusive in this period in Protestant locations like the German states, where the church did not stand as an independent counterpoise to the state as it did in medieval and early modern Catholic countries. But he also points out that charismatic authority made a reappearance at the university in the modern era in conjunction with rational authority, as the modern university came to emphasize the primacy of the author and the importance of scholarly fame in supporting the ideal of the university as a research institution.

Autonomy in the Space between Market and State

Grounded in insights from these two works, I want to make two comparative points that may throw useful light on the situation of the American university. First, the

medieval university enjoyed a remarkable degree of autonomy because of its ability to operate in the space between church and state. This autonomy persisted longer in Catholic countries like France, where the church continued to offset the state until the emergence of absolutist monarchy and eventually the nation state. In Protestant locations like Germany, however, the church was less able to play this role, and the state emerged earlier as an unobstructed intrusion into the university. In the U.S., as I have shown, there was also a counter to the state; however, it was not the church but the market. A relatively weak state and a strong market allowed the U.S. university to establish a remarkable degree of institutional autonomy. In Europe the decline of the church corresponded with the growing power of the state; and this took place before the emergence of a muscular market economy, whereas the market economy served as midwife for the birth of American society.

In short, a key advantage enjoyed by the university in the U.S. is that its syncretic structure mimics the medieval. In the U.S., the market has provided a powerful and effective counterforce to the state in shaping the university – playing the same role that the church did during the founding of the university in medieval Europe. European universities lost much of this autonomy in the early modern and modern period, as the church lost its authority and they became increasingly subordinate to a state whose rational-legal authority grew beyond challenge. This happened earlier in the Protestant states, like Germany, but it gradually became the norm across all European countries. And European universities have functioned under the unitary dominion of the state ever since.

This has helped them survive, but it has limited their ability to thrive. They have been financially secure under the sponsorship of the state, which has saved them from the need to scabble for funds in the unseemly manner of American university tuition-collectors, grant-getters, and donation-seekers. They also have had considerable legitimacy because of the patronage of the government.¹² Both elements have made these institutions durable, but such advantages have come at a severe cost. Limited to state funds, European universities have starved in comparison to the lavish finances of their American counterparts, which can draw on multiple sources of revenue as buffers against dips in income arising from the fluctuations in state budget priorities. And they have had to follow the direction set by the education ministry. This is in striking contrast to American universities, where the modesty of state appropriations limits state intrusion into university affairs. The result is that to a great degree American schools are left to follow the entrepreneurial instincts of faculty, administrators, and trustees, adapting to the demands of the market. They adjust quickly both to demands from students seeking particular degrees and social opportunities and to demands from industrial, political, and military customers seeking to capitalize on university research.

Increasingly in recent years, European universities are evolving in the direction of market control, because of competitive pressure from abroad and the state's desire to unload part of the financial burden for supporting these institutions. The so-called Bologna Declaration (signed in 1999 by 30 European education ministers) institutionalized and speeded up this process, establishing a continental structure of undergraduate and graduate programs, a standard set of degrees and degree requirements, and transferable credit across institutions. As a result of the Bologna Process, tuition is rising, competition for research grants is growing, and elements of the market model are

becoming more prominent.¹³ But the role of the state remains remarkably strong in comparison with American universities, and resistance to some key elements of the change persists, especially the idea of charging substantial tuition to students.¹⁴

Autonomy in the Space Between Competing Modes of Authority

The second comparative point is this: Clark may overstate the extent of the transformation of the university from traditional to rational. My argument is that all three elements – traditional, rational, and charismatic authority – are alive and well in the modern university, especially in the modern American university. A key component to the success and stability of the latter institution, I suggest, is its ability to syncretize these three modes of authority within a single complex organizational form. The three elements reinforce each other in interesting ways (for example: tradition, charisma, and rationality all play well in the market), and they also provide countervailing sources of authority within the institution, thus preventing a single conception of the university or a single actor from winning out over others. This mixed model of governance brings another source of creative tension into the life of the university, akin to the way the university incorporates the tension between the market and the state.

As Clark shows, rational authority did indeed come to reshape the medieval university, and we see its effects all around us. We see elaborate structures of bureaucratic administration, business-like budgeting mechanisms, a crew of professional managers, and elaborate meritocratic procedures for admitting, assessing, and advancing both students and faculty. These elements are evident in any modern university. But U.S. universities push rational authority to a higher level because of their greater dependence on the market and their need to adapt to its demands. In this sense, the market has rationalized the procedures of the university in much the same way that the market has rationalized the procedures of the corporation. American universities have to adjust the prices they charge students and the salaries they pay faculty in order to respond to the demands of their position in the stratified system of higher education, both the position they occupy and the one to which they aspire. They also need to develop elaborate research offices and development operations in order to maximize their take from grants and donations.

But these structures of rational administration in the university are laid over an irreducible element of traditional authority found in the guild-like mode of governance carried over from its medieval origins. We still honor the traditional rituals of collegial decision-making in admitting faculty to the guild, deciding on promotion and tenure, approving curriculum, and preserving the artisanal autonomy of the classroom. We still induct students into guild apprenticeship, socialize them in arcane subjects, and grant them medieval degrees that were originally designed to measure degrees of acceptance into the guild of teachers. We put on the mason's mortarboard and clergyman's gown and engage in medieval processions for our graduation ceremonies. These elements are common across universities in the modern era. But U.S. universities promote and preserve traditional authority in particularly exaggerated ways. Perhaps because these traditions in the new world are so obviously not home grown, they have become a mantle of medieval imagery assumed for the very modern reason of good marketing. In the late nineteenth century, the American college and university suddenly developed a passion for gothic architecture, medieval quadrangles, and invented traditions like football,

homecoming, and alma mater. Tradition sells in higher education, perhaps particularly so in a setting where the transplant was recent and the roots shallow.

And then there is charisma. Some of the most engaging parts of Clark's book are focused on the reinvigoration of charisma in the modern university. Charisma is often seen as an unstable and primitive form of authority that is peculiarly person-centered (a pagan chief or an old testament prophet), in contrast with the solidity of tradition and the functional durability of bureaucracy. But charisma turns out to be a critically important element in the research university. Consider Weber's short-hand definition of charismatic authority: "resting on devotion to the exceptional sanctity, heroism or exemplary character of an individual person, and of the normative patterns or order revealed or ordained by him..." (Weber, 1978, 215). This sounds a lot like the archetype of the modern university professor, which David Lodge (1979, 1995) and Malcolm Bradbury (1985, 2000) have so brilliantly depicted in their academic satires. As Clark shows, the research university has elevated the ideal of the individual scholar. This charismatic ideal is consecrated in the organization of library catalogues and academic citations by author's name, and it is reinforced by the academic salience of fame (through the medium of awards, endowed chairs, peer referee systems, and citation indexes). It is found in the honored position of individual genius in the academic value system and embodied in the persona of the research professor. Weber considered modernity relentless and inevitable, as the forces of rationalization (that is, the rise of rational authority over the traditional and charismatic) led to the progressive disenchantment of the world. Interestingly, however, the university is one modern organization that has managed to retain and even institutionalize some of this enchantment, by molding itself in part on medieval tradition and scholarly charisma.

Here too the American model of the university promotes this form of authority to a more extreme degree than its European counterparts. The academic star system fits perfectly into a market model of the university, which stratifies faculty the same way it does institutions, bidding up the pay and perks of the stars in the pursuit of individual genius and academic distinction. The ideal of the charismatic professor is like the ideal of the economic entrepreneur in American culture; both portray individuals of special ability as the bearers of progress, with institutions arising in their wake.

I am arguing, therefore, that all modern universities present a mix of these three kinds of authority, but that American universities promote each of them with greater vigor than their competitors overseas. As a result, each of these elements is more visible in the U.S., and the contradictions they pose for these institutions are more apparent. In addition, the American model demonstrates the value of maintaining a dynamic interaction among these conflicting visions of what a university is and how it should be run. The American research university has its own peculiar trinity: the father of tradition, the son of reason, and the holy ghost of charisma, with the last serving, as Clark puts it, as the ghost in the machine of the research university.

Note how institutional stability and adaptability are both enhanced by this mix of authority types in the university – the ancient and the trendy, hoary tradition and current consumer preferences, rationalized procedure and personal expression. Like the tension between the market and the state in shaping the context for the university – and the tension among the populist, the elitist, and the practical in setting its purposes – the tension among authority types within the university helps to keep this institution from

becoming too clearly defined in order to retain flexibility, too focused on one set of goals in order to retain adaptability, and too much under the thumb of a single constituency in order to retain the ability to pursue of the next opportunity.¹⁵

Conclusion

In this paper, I have chosen to focus on the organizational reasons for the success of American higher education, where success is narrowly defined as its ability to attain a dominant position internationally in institutional rankings, financial and human resources, and academic drawing power. In particular, I have looked at the syncretic structural elements within the organization of the American system that allowed it to take advantage of the situation it faced in the mid 20th century, with growing American wealth and power

Success in these terms, of course, does not come without consequences. The complexity of the American system, its emphasis on institutional autonomy, its dependence on the market, its adoption of contradictory political goals, and its governance by mixed models of organizational authority combine to produce a set of educational and social problems that I have not examined here. This structure leads to an extreme form of stratification in American higher education, which preserves social privilege at the same time that it provides social opportunity and which often puts a premium on getting ahead rather than getting an education. It allows the successes of the research university to occur at the expense of the students attending the community college and regional state university. It protects the university from overly intrusive and confining state control, but it does so by leaving the university increasingly at the mercy of the consumer. In combination with the extreme stratification of the system, dependency on the consumer can lead to an emphasis on acquiring socially salient credentials more than gaining socially useful learning, especially at the undergraduate level. And it produces a grossly inefficient system of higher education, in which our extraordinary investment of public and private funds in the university often subsidizes private ambition more than it promotes the public good.

At the same time, however, the organizational complexities and contradictions of the American system of higher education have also provided individual institutions with substantial autonomy, stable funding, and a broad base of political support. And such structural advantages have enabled these institutions to compete effectively, adapt flexibly, and expand their influence in the global market in education.

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 Notes

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² I am grateful to Mitchell Stevens for pointing out that the higher education system I am describing is not balanced, as I had initially put it, which suggests a harmonious institution and a functionalist argument, neither of which I intend. Instead the system is syncretic, which suggests the kind of institution I am portraying here – grounded in a pragmatic effort to accommodate contradictory goals, sources of support, and modes of authority, all for the purpose of survival.

³ I am grateful to Dan McFarland and Martin Carnoy for pointing out to me how these wars gave U.S. higher education a major advantage.

⁴ Stanford President John Hennessey likes to say that, although university administration is like herding cats, “I control the cat food.”

⁵ Clark (1983, p. 143) categorizes systems of higher education according the degree to which they are under control of the state, the faculty, or the market, arguing that the American system is most responsive to the market whereas other systems are more responsive to state and faculty.

⁶ Limited to institutions with enrollment of more than 1,000 who provided data to *Peterson’s Guide to Four-Year Colleges* (1998).

⁷ Also like the land grant college and the normal school, the community college provided an education that was more practical in orientation than the elite schools. But the practical orientation of these lower tier institutions gradually subsided as consumer pressure led them to regress to the mean of liberal education established by the top tier. For more on this issue, see Brint & Karabel (1989).

⁸ I am grateful to Philo Hutcheson, Jim Albisetti, and Elisabeth Hansot for pointing out this deficiency in an earlier version of this paper.

⁹ I discuss this issue in some detail in Labaree, 2006a.

¹⁰ Princeton Review (2009) listed 16 research universities among the top 20 party schools in the U.S. in 2008, including 6 universities that are ranked among the top 50 in the world.

¹¹ In his rich synthesis of the literature on the medieval university, Olaf Pedersen (2007) confirms Durkheim’s judgment that the university achieved autonomy because of its interstitial location in medieval society. For a lucid summary, see p. 189

¹² These elements help explain why public universities have far greater prestige than private universities in Europe, whereas in the U.S. private institutions tend to top the rankings.

¹³ For a summary of changes arising from the Bologna process, see Reinalda & Kulesza (2006).

¹⁴ I am grateful to Jón Torfi Jónasson and Gero Lenhardt for helping me to understand the recent turn toward markets by European universities.

¹⁵ Burton Clark (1983) argues that a key strength of the American system of higher education is structural complexity, with radical decentralization and a federalized dispersion of power.