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The Design of the University

German, American, and "World Class"

Heinz-Dieter Meyer



"Thanks to an in-depth historical-comparative analysis of the German and American systems, Meyer succeeds in showing that the design features that account for the strengths of the American university are far more complex than is assumed in these efforts. A must-read for everyone interested to understand the past and possible perils of the globalization of the university."

—Edward P. St. John, Algo D. Henderson Collegiate Professor of Higher Education, University of Michigan, USA

"This is a great book that makes a significant contribution to comparative studies in higher education, in particular to the growing literature on institutional and policy transfer, in which it will find a secure place as a result of its sophisticated analysis of complex cross-national influence involving the American and German concepts of a university."

—David Phillips, Professor Emeritus of Comparative Education, University of Oxford, UK

"This book provides a fascinating account of how the American university both surpasses and perfects Humboldt's model as the basis for the modern research university. This highly readable investigation offers an important counter-narrative to the model of the 'national' university (constructed around state control and funding) and the recent 'world-class' discourse emphasizing de-contextualized 'one best way' models of global excellence. True excellence, Meyer argues, is based on incremental institutional learning through a sustainable conversation in which scholars, not managers are in the drivers' seat."

—Michael A. Peters, Professor of Education, University of Waikato, New Zealand, and Emeritus Professor in Educational Policy, Organization, and Leadership, University of Illinois at Urbana–Champaign, USA

"One reads this book with great interest and profit. Meyer demonstrates how the American university both extends and overcomes some of the key deficits of Smith's and Humboldt's models. The book instructively combines organizational sociology with an historical and comparative approach. A fine book!"

—Horst Kern, Professor of Sociology and President Emeritus of Georgia-Augusta University, Göttingen, Germany


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The Design of the University

What is the reason for the American university's global preeminence? How did the American university succeed where the development of the German university, from which it took so much, stalled? In this closely argued book, Meyer suggests that the key to the American university's success is its institutional design of self-government. Where other university systems are dependent on the patronage of state, church, or market, the American university is the first to achieve true autonomy, which it attained through an intricate system of engagements with societal actors and institutions that simultaneously act as amplifiers of its impact and as checks on the university's ever-present corrosive tendencies.

Built on a searching analysis of the design thinking of Wilhelm von Humboldt and Adam Smith and closely tracing the learning process by which Americans adapted the German model, *The Design of the University* dismisses efforts to copy superficial features of the American university in order to achieve world-class rank. Calling attention to the design details of the university and the particulars of its institutional environment, this volume identifies the practices and choices that produced the gold standard for today's world class higher education.

Heinz-Dieter Meyer is Associate Professor who teaches organization theory and education governance at the State University of New York (Albany), USA.

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"I am exceedingly anxious to have this spirit of pursuing all literary studies philosophically—of making scholarship as little of drudgery and mechanism as possible, transplanted to the U. States, in whose free and liberal soil I think it would, at once, find congenial nourishment."

George Ticknor to Thomas Jefferson, 1816


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To the memory of David Riesman


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Preface

What is the reason for the American university's global preeminence? How did the American university succeed where the development of the German university, of which it learned so much, stalled? What can those who like to see their universities achieve "world class" status learn from the American model? In this book I suggest that the key to the American university's success is an institutional design that facilitates the university's self-government at the organizational, inter-organizational, and societal level.

The heart of the book is a reconstruction and comparison of the institutional trajectories of the German and American university in order to understand the process by which the American university's unique historical innovation in institutional design came about. By tracing the close institutional affinity of the German and American university, we can discern which design variations help explain the American university's global preeminence. The book thus provides a rare view into the black box of institutional design in higher education, how it emerges, and how it affects the behavior of the main actors. As Humboldt's university declined in an increasingly chilly atmosphere emanating from the centralized control of Friedrich Althoff—the Prussian minister-autocrat who loved to micro-manage the university—Humboldt's most important ideas flourished in the American atmosphere of unrestricted institutional experimentation and vigorous self-government.

The book's argument unfolds in four steps. Part I establishes the struggle over the new institution as a struggle for a new design. Built on a searching analysis of the design thinking of Wilhelm von Humboldt and Adam Smith (whose pioneering work on academic design has to date been largely neglected), it shows how the language of design can usefully orient our understanding of the specific differences of institutional ideal types that made certain institutional models flourish where others failed. The part opens with Ticknor's historic encounter of the new university design in Germany and analyzes the work of two pioneers of institutional design in higher education, Adam Smith and Wilhelm von Humboldt. While Humboldt's name is firmly associated with the German university, his design proves more subtle and more complex than it is usually given credit for—especially when compared with the design ideas of Adam Smith. Where Smith's design ideas

(which take up a large part of the "Wealth of Nations") focus on the ease with which the university can be corrupted into self-serving mediocrity and market mechanisms to prevent it, Humboldt's design pivots on an ingenious "anti-organization organization" to mobilize the scholar's love for discovery and to ward off the bureaucratizing tendencies of formal organizations. It does so by means of an ingenious integration of the conflicting principles of teaching and research, academic autonomy and community, and moral education and a philosophically oriented science. Both designs have important strengths as well as key shortcomings. It fell to the American university to synthesize and overcome them.

Part II traces the institutional learning process that began when American scholars first encountered the German research university. It details the social and institutional conditions and key decisions by leading figures like Charles Eliot, Andrew White, Daniel C. Gilman, and Joseph Wharton (the University of Pennsylvania's sponsor and founder of the first academic business school) that deviated markedly from the German model. It considers some of the internal controversies, the roads not taken, and the near misses in the meandering process issuing in the creation of the American university. By highlighting some of the internal controversy and debate among the founders of the American research university—for example about the relationship between teaching and research in the undergraduate and graduate divisions of the university, the organization in departments, the structure of doctoral education, the desirability of a 'national university,' or the appropriateness of teaching business in the academy—the study surfaces the ideas and beliefs that often determined along which path the new institution would develop.

In Part III the perspective changes from highlighting key idiosyncrasies of the American path to the university to taking stock of the general design features that characterize the American university. I argue that by combining the design ideas proposed by Smith and Humboldt, the American university is the first to achieve effective autonomy. I detail key design shifts that made this achievement possible—from autocratic chair-holders to collegial departments; from weak figurehead-presidents to strong executive leaders; from an unsupportive (or non-existent) to a supportive institutional infrastructure of voluntary institutions (trustees, philanthropic foundations, alumni, etc.); from high walls separating different classes of institutions to low walls and strong self-improvement; and from a state-centered to a civil-society-centered governance.

By foregrounding the *institutional* dimensions of the American university, the study provides a counterpoint to explanations for America's rise to academic and scientific global leadership due to the system's emphasis on competition. For example, in Ben-David's classic account, the success of the German university was intimately tied to the competition that resulted from the political decentralization of Germany and facilitated the use of universities for political prestige.[1] Similarly, Milton Friedman proposed that

American universities became global leaders because they are competition and market-oriented, while American public schools are global laggards because they are run by a government monopoly.[2] The book shows that market competition (when tamed by the civil society!) is an important but not sufficient condition for academic excellence. The missing ingredients include an institutional architecture that supports "complex autonomy," in which universities can be autonomously governed not in spite of their myriad ties with society but because of it.

In Part IV, I offer concluding reflections on how the American university surpassed (or, as one might see it, completed and perfected) Humboldt's model and sound a cautionary note on the prospects of the American university under conditions of unprecedented social inequality and the pressures of the new "world class" discourse that is at risk of ignoring the American university's deep lessons regarding the institutional prerequisites of sustainable excellence.

My hope is that the book can serve as an antidote to facile (and most certainly futile) efforts to copy superficial features of the American university in efforts to achieve world class rank, as well as an argument to pay close attention to the design detail of the university and the particulars of its institutional environment, especially the institutions of the civil society.

Notes

1 Jospeph Ben-David and Awraham Zloczower, 'Universities and Academic Systems in Modern Societies', *European Journal of Sociology/Archives Européennes de Sociologie*, 3 (1962), 45–84.

2 Friedman in Robert Lenzer and Stephen S. Johnson, 'Seeing Things as They Really Are', *Forbes*, 159(5) (1997), 122–128, 127.


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Acknowledgments

Albert Hirschman suggests somewhere that Adam Smith's invisible hand should be supplemented by something like a "hiding hand." Where the invisible hand leads uncoordinated actors to produce greater aggregate outcomes than would result from deliberate coordination, the hiding hand allows people to engage in undertakings the size of which would deter us from ever starting if we were allowed to see their full extent in the first place. So, both "hands" make good things happen, if by different routes (the one by self-interest, the other by self-delusion). This book is testimony to the fact that my hiding hand is strongly developed—but also strongly supported by institutions and peers.

As someone whose academic career would have been impossible but for the generosity of the American university, I owe a debt of gratitude to the institution portrayed in this book. The first installment of that generosity came in the form of a scholarship from an unnamed Cornell University benefactor to a graduate of Göttingen University, enabling them to spend a year of study and reflection at Cornell. That scholarship (and Cornell's subsequent doctoral support) facilitated the initial stirring of my curiosity about the difference between the American and German university. A postdoctoral year at Harvard, much of which was spent in conversation with David Riesman, rounded out my participant observation of the American university and led to my discovery of Alexis de Tocqueville and George Ticknor, this book's patron saint and leading hero, respectively.

After a hiatus teaching organization theory to MBAs in France, Göttingen took me back as the German version of Assistant Professor, giving me time to assimilate remnants of the culture that Humboldt had created. Fast forward to 2014, when circumstances forced me into finishing this long-postponed project, assisted in no small way by the prodding of my Albany colleagues and a grant by the National Endowment for the Humanities.

Along the way I have accumulated many debts to friends and colleagues. The late David Riesman, as well as Jurgen Herbst and William L. Boyd, encouraged my initial interest in educational institutions with an eye on history, yet relevant for policy. Brian Rowan, Chiqui Ramirez, David Kamens, and Aaron Benavot were around for many rounds of spirited discussions

on thorny issues of institutional theory. During the proposal stage, David Labaree and Stephen Heyneman generously provided insightful comments. Hamp Lankford, Hal Lawson, Tobias Schulze-Cleven, Ed St. John, Flora Veit-Wild, Nathaniel Williams, and Katie Zahedi have read parts or all of the manuscript and graciously offered comments and critique. In Germany, Tilman Reitz and his Jena group's critical approach to current higher education policies was inspirational. Clara Steinkellner, Thomas Brunner, and their Berlin group confirmed that Humboldt's genius remains alive. And my Herne gang (Dietrich, Iris, Jurgen, Karen, Klaus, and my wonderful parents) provided the support that only long friendship can give. Karen Adler, my editor at Routledge, offered steady and mindful stewardship in the final stages of manuscript preparation.

As even the most dedicated scholar does not live from bread and books alone, I must record an abiding debt to my wife Catherine and our daughter Anna, who, together with our two Labradors Shammy and Holly, created a cocoon of five in which grumpiness was repaid with grace and the scholar's solitude made bearable with love.

Part I
Glimpses of a New Design


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1 Introduction

The "World Class" Discourse and the Perspective of Institutional Design

Suddenly, we are all speaking "world class." Spurred by global rankings, the emergence of the internet as a global workspace and global textbook of academia, as well as by the decreasing costs of international communication and travel, higher education has, seemingly overnight, become a global domain. Government officials, policy makers, and researchers around the world share the vocabulary of a new discourse—replete with "benchmarking," "excellence initiatives," "research assessments," and the like—all in the service of reaching world class. Only a decade or two ago the boundaries of nations and the diversity of their cultural traditions seemed to represent formidable barriers to the communication of know-how and the comparison of higher education systems. Today, a flattening world seems to irreversibly force nations that not too long ago proudly defended their unique traditions of higher education into efforts to mold their institutions into conformity with what they see as the emerging global standards of "world class" higher education.[1]

One reason for the global rush to reform is the perception that education systems in general and the university in particular are becoming main drivers of economic development of knowledge-intensive economies. Another reason is the sudden explosion of global transparency.

But the increased anxiety over having one's nation represented among the top ranking global institutions is also bringing in its tow increased uncertainty over the university's institutional structure and governance. Until recently, the dominant model of higher education in many parts of the world was that of the public or "national" university, conceived as a state-governed, state-controlled, and state-funded institution. This model is everywhere in decline, on the way to being replaced by "world class" institutions requiring greater autonomy, resources, and excellence than government-controlled institutions are apt to achieve.

But what is a world class university and how do you build one? According to many observers the answer is readily available in the now ubiquitous global university rankings. By comparing the common features of the globally leading universities, we can presumably distill what it takes to achieve world class. From these studies we learn that to transform existing universities to world class universities requires a shift from input- to output-steering;

from policies oriented to the public good to "new public management" as overarching ideology; and from broad to selective funding of a few institutions designated most likely to achieve world class status.

What is striking about this new discourse of higher education reform is not only the remarkable context-independence that is implied in the recipes promising world class achievement. Following a few key prescriptions, "world class" institutions can presumably be built anywhere and by anyone. Despots with vast oil money, governments with questionable human rights records, and bureaucrats in central planning agencies are all busy building world class universities, just as they have built the world's tallest high rises, introduced man-made lakes into arid landscapes, or air-conditioned large swaths of desert land.

All these trends come together in a new hubris reigning over policy makers, who labor under the assumption that there are clear and simple recipes through which their country can achieve "world class" status in higher education. The 'excellent' university is often seen as a one-dimensional copy of the American university, whose essential features are presumed to be market-based competition, autonomy, control over student intake, and tuition payments. The "world class" university somehow mimics these features, and with sufficiently vast amounts of money and talent, one can get there. So the world over, governments and civil servants are engaged in pulling the same two or three policy levers in the hope of inciting competition for excellence to reward the winners and ignore the losers.

As I will argue in this book, the new discourse on the world class university not only underestimates the institutional, social, and political prerequisites that excellence in research and teaching require. It not only overestimates what government planners, backed by vast financial resources though they may be, can achieve in a realm that thrives on academic self-government. It also seems to redefine the university from a home of free research and reflection in which the humanities take pride of place into an engine of economic productivity and re-engineering, a vocationalized higher education whose wagon is increasingly tightly hitched to the project of national economic competitiveness.

The spirit in which these reforms are pursued bears an uncanny resemblance not to the celebrated reforms of a Wilhelm von Humboldt, but to Humboldt's competitor Napoleon Bonaparte, who engineered France's polytechnical university reforms, designed to harness the power of the intellect to the project of national economic and military strength. Ironically, though, even in the realm of promoting economic and social development, the Napoleonic polytechnics were decidedly less successful than the Humboldtian universities built on the integration of teaching with research, autonomy with community, and moral formation with scientific research.

Rankings and Mindless Copying

Ironically, too, the "world class" discourse is promoted first and foremost not by academics but by government officials and media pundits. As

Richard Muench has pointed out, policy needs votes, not truth. It needs success within the time frames of election cycles, not slowly emerging consensus around new paradigms. It needs compromise, not original ideas ahead of their time. Policy is beholden to the media, which craves problems with presumed ready-made solutions.[2] Rankings fit these needs precisely, suggesting objectivity and precision, while allowing for bite-sized consumption and the display of strong opinions.[3] The result is often superficial emulation of what is still essentially an Anglo-American model of higher education. Most emulation focuses on surface features of American universities like choice, cost-covering tuition fees, institutional differentiation, and market responsiveness, while ignoring more profound and less overt characteristics.

But with all this emulation come as many frustrations, as the protagonists realize that some of the desired institutional features do not readily articulate with the local context, or, at any rate, do not seem to produce the desired effects. In several countries, plans for cost-covering tuition had to be scaled back dramatically or suspended altogether. Similarly, in Chile and the United Kingdom, we have seen massive protests of students against the increasing inequality and unfairness of access to higher education.[4]

While the "world class" discourse constructs the crisis largely as a crisis of insufficient resources, lack of market choices, and misguided policy, from an institutional point of view, the crisis is one of obsolescence and futility. The national, state-run university—the main institutional model of the 20th century—no longer meets the challenges of the new environment. And education policy as traditionally conceived is incapable of bringing about a new model. The national university's obsolescence resembles that of the medieval university some 400 years ago. The medieval university had come to dominance during the ascendency of the Holy Roman Empire, focused on the formation of priests, doctors, and lawyers, and pillars of the Roman church's secular and religious authority. That university had been rendered an anachronism by the Enlightenment's replacement of theology with philosophy and the scientific revolution's replacement of speculation with empirical research.

Today, government-controlled universities face a similarly stark challenge. The modern university, no longer confined to elite production, is a 'universal' institution (open to all secondary school graduates), to use Martin Trow's term. It is an innovation-oriented ('entrepreneurial') institution, not amenable to be steered by civil servants from afar. And it is dyed in the wool global and international, not national. That kind of university cannot be governed from one central command post—be it a ministry of education or a central administrative office. It requires complex institutional underpinnings and a diverse institutional environment—best provided in the context of a civil society that prizes free speech, academic freedom, and the advancement of knowledge—and is willing to dedicate many of its resources, small and large, to support it. While governments can play an important role in defining frameworks of institutional learning, conventional education policy seems incapable of stirring up and capturing *emerging* effects.

Institutional Learning and Institutional Design

This book shows that true excellence in higher education is more likely to emerge from institutional learning than centralized policy making. Where education policy making is top-down, short-term oriented, and draws on a narrow fund of expert insight, *institutional learning* is bottom-up, experimental, long-term oriented, and draws on a broad basis of diverse institutional experience. Where education policy seeks certainty and instant change, institutional learning is meandering and forever self-correcting.[5] Where education policy often suffers from "one-best-way" thinking and epistemic arrogance, institutional learning benefits from the power of pluralism and diversity. The emphasis on institutional learning is supported by recent design theory, which emphasizes that good designs *mature over time*. In a complex world, designers are unlikely to have enough knowledge to 'get it right' at first try. That means that good designs must leave room for institutions to 'learn' or self-improve over time. For Axelrod and Cohen, a key question for learning systems is "how [they] can be designed to become more effective *over time*."[6]

The American university, I argue, derives its innovative design from such a sustained, open-ended (and yet unfinished) process of institutional learning spanning decades, not years. It is the product of a learning process that began with the colonial colleges built on the English model and kicked into high gear when thousands of enthusiastic returnees brought the experience of the German research university back to America. Institutional learning, although less centrally directed and less micro-managing, is ultimately more 'rational' than education policy. It produces outcomes more in harmony with the multi-facetted, multi-layered, and contradictory nature of the university. Like love, sleep, happiness, and other good things in life, its excellence is a by-product of locally adaptive acts that cannot easily be brought about by an act of deliberate will.[7] Even (or especially) policies as muscular as the British government's "Research Assessment Exercise (RAE)" or the German government's *Exzellenzinitiative* easily prove counterproductive and demoralizing. The British RAE has led to such Gogolian spectacles as hundreds of evaluators amassed in an abandoned airport hangar, hovering over mountains of cardboard boxes containing the scholarly output of British university researchers, which they were expected to somehow validly and reliably rate and classify.[8] And the German initiative has led to deep frustration in the academic community, who saw leading institutions up- and downgraded based on willfully determined criteria and standards.[9]

Even in the United States, the push for more invasive government control is getting stronger. According to some recent headline-making proposals, American higher education is "ripe for disruption." It is trapped in a "Carnegie Climb"—a presumably futile effort of the majority of institutions to emulate a handful of elite institutions at the top of the Carnegie classification.[10] Recommended are reforms that would make most American universities

teaching-only institutions, doing away with the *integration* of teaching and research that is a chief building block of the modern university. They would also strip most professors of their tenure rights or start paying them strictly in accord with the number of students taking their courses. All of these proposals assume the need for stronger interventions by the federal government.[11] To me, these policy proposals ignore major lessons that can be drawn from a careful study of what made American universities world leading.

A Note on Theory

The approach to institutional analysis taken here stresses the significance of ideas, beliefs, and idiosyncratic conditions in the process of institutional learning.[12] It owes an obvious debt to the neo-institutionalism[13] and the historically and culturally oriented analyses of institutions of Max Weber, Pierre Bourdieu, and Mary Douglas. A less obvious debt is owed to Alexis de Tocqueville who, for my money, is the unsurpassed standard setter of institutional analysis.[14] With two notable exceptions, the latter's contributions to social science have to date been largely overlooked.[15]

The method I use is historical-comparative. Amartya Sen has called institutional comparison the positive method of gauging an institution's moral import and technical effectiveness. The other—"transcendental"—method is deduction from first principles. In the positive method, we accept institutions as they are and explain differences in outcome by differences in design. In the deductive method, we build perfect institutions in theory with unknown degrees of realism.[16]

A field with an impressive pedigree in classical political philosophy and theory, the study of institutional design is experiencing a renewed interest in contemporary social sciences, with a growing number of studies focusing on the detail of institutional mechanisms and how they affect the interaction of individuals and groups in society.[17] Much of the interest in institutional design has its starting point in the observation that small differences in design can create large differences in outcome. Rousseau noted this a long time ago: "I have a hundred times thought with terror that if I had the misfortune today of filling a particular position in a certain country, tomorrow I would almost inevitably be a tyrant, an extortionist, a destroyer of the people, and a source of harm to the prince; due to my situation I would be an enemy of all humanity, of all equity, of every sort of virtue." In the context of this observation, Rousseau also remarked more generally: "There are situations which seem to change our nature and to recast, for better or for worse, the men who fill them."[18]

Many would point to the *Federalist Papers* as the first instance of sustained reasoning about institutional design.[19] Grofman describes the founding fathers as the first group of "political engineers."[20] Another field with strong concerns for design has, of course, been management and organization theory.[21]

Good institutional designs integrate multiple, often conflicting objectives and constraints.[22] For example, a goal of democratic design may be to enhance grass roots participation in public affairs, the quality of public discourse and deliberation, and administrative responsiveness and accountability.[23] However, we may find that under certain circumstances, popular participation conflicts with high quality deliberation, and high quality deliberation may slow down administrative responsiveness. An institutional design that makes room for such conflicting imperatives has to find workable tradeoffs. Other design objectives discussed by writers on democratic design have included the creation of conditions for a rational political discourse in the public sphere, finding institutional mechanisms to help individuals to commit against the temptation of choosing small short-term gains over large long-term payoffs, balancing conflicting imperatives like majority rule and individual liberty,[24] slowing down impulsive decision making, counterbalancing and limiting the power of the majority over minorities, holding the executive accountable while also making it strong enough for decisive action,[25]making higher human motives prevail over lower ones, or facilitating experimentation and variety.

Improbable Complexity

In my analysis, the American university emerges as a prime example of this ability to integrate conflicting imperatives at a high level, making it a globally unique institution which reconciles excellence and access, liberal education and utility, autonomy and accountability in ingenious ways. Globally unique, it is, as Clark Kerr put it, "neither Oxford nor Berlin," "neither entirely of the world nor entirely apart from it," "not really private, and not really public."[26] It is, really, an "improbable institution," the design of which is well beyond the capacity of human bounded rationality, one whose continued viability is, in Jonathan Cole's recent magisterial analysis, too easily taken for granted.[27] But what the limited insight of individuals—be they scholars or government officials—cannot solve, history sometimes can. The American university is the result of one such sustained process of institutional learning. The new design solved problems that two giants of institutional thinking—Adam Smith and Wilhelm von Humboldt—failed to solve, path-breaking though their contributions have been. In the process, American scholars and university leaders created a new institution, a genuine institutional innovation that emerged by way of local, unregulated experimentation and innovation that manages to harness many conflicting energies without being controlled by any of them.

In recognizing this institution as a historical innovation, one that pioneers a unique integration of the conflicting design imperatives of Smith and Humboldt, explaining its unique ability to dynamically reinvent and maintain its vigor, we need not ignore its imperfections and fault-lines, especially those that are becoming obvious as the surrounding environment is tilting towards an oligarchic wealth distribution in which unselfish philanthropic

support of higher education can turn into selfish influence buying. In his reflections on "science as a vocation," Max Weber was deeply pessimistic about the university's ability to escape becoming a narrow research factory ("Grossbetrieb") and to stave off the overpowering effects of bureaucratization.[28] And Jürgen Habermas similarly attributed the university's loss of a unifying animating idea to organizational rationalization and increasingly inward-looking and self-contained academic disciplines.[29] Clearly, the university has always been a problematic, easily derailed, and corruptible institution, subject to corrosive forces from without and within. But on the whole, I believe that the story told here warrants hope, not pessimism. In any event, understanding the processes that contributed to the university's greatness is our best chance of staving off or correcting ill-fated reform projects, even as we detect signs that an institution as necessary as the American university may be in for another period of learning and renewal.

Notes

1 For a sampling of the burgeoning literature on this topic, see Philip G. Altbach and Jamil Salmi, *The Road to Academic Excellence: The Making of World-Class Research Universities* (Washington DC: World Bank Publications, 2011); Ben Wildavsky, *The Great Brain Race: How Global Universities Are Reshaping the World* (Princeton, NJ: Princeton University Press, 2010). Kathryn Mohrman, Wanhua Ma, and David Baker, 'The Research University in Transition: The Emerging Global Model', *Higher Education*, 21 (2008), 5–27; David P. Baker and Gero Lenhardt. "The Institutional Crisis of the German Research University." *Higher Education Policy* (2008) 21, 49–64.

2 Richard Muench, *Academic Capitalism: Universities in the Global Struggle for Excellence* (New York: Routledge, 2014).

3 Rankings are, of course, not limited to higher education. They are causing similarly mindless copying in public education, especially since the OECD—an organization without mandate in education—has entered the scene. See Heinz-Dieter Meyer and Aaron Benavot, *PISA, Power, and Policy: The Emergence of Global Educational Governance* (Oxford, UK: Symposium Books Ltd, 2014).

4 Heinz-Dieter Meyer, Edward P. St John, Maia Chankseliani, and Lina Uribe, eds., *Fairness in Access to Higher Education in a Global Perspective: Reconciling Excellence, Efficiency, and Justice* (Rotterdam: Sense, 2013).

5 Institutional learning can also be viewed as a process of selective borrowing, as discussed in Gita Steiner-Khamsi, ed., *The Global Politics of Educational Borrowing and Lending* (New York: Teachers College Press, 2004).

6 Robert Axelrod and Michael D. Cohen, *Harnessing Complexity. Organizational Implications of a Scientific Frontier* (New York: Basic Books, 2000), xiii.

7 On "states that are essentially by-products," see Jon Elster, *Sour Grapes: Studies in the Subversion of Rationality* (Cambridge: Cambridge University Press, 1983), 43–108.

8 Simon Head, 'The Grim Threat to British Universities', *New York Review of Books*, January 2011, http://www.nybooks.com/articles/2011/01/13/grim-threat-british-universities.

9 Muench, *Academic Capitalism*.

10 See Clayton Christensen and Henry Eyring, *The Innovative University: Changing the DNA of Higher Education from the Inside Out* (San Fransisco: Jossey Bass, 2011).

11 See, e.g., Robert Zemsky, *Checklist for Change: Making American Higher Education a Sustainable Enterprise* (New Brunswick: Rutgers University Press, 2013). For a critical discussion of these ideas, see my review of Zemsky in Heinz-Dieter Meyer, 'Checklist for Change: Making American Higher Education a Sustainable Enterprise, by R. Zemsky', *Teachers College Record* (2014).
12 For a fuller articulation of the theory employed here, see Heinz-Dieter Meyer, 'Institutional Design for Collective Action: Tweaking the Rules of the Game for the Common Good', *Comparative Sociology*, 11 (2010), 2–24, which contains much of the analytical framework employed in the present study. See also Heinz-Dieter Meyer and Brian Rowan, eds., *The New Institutionalism in Education* (Albany: State University of New York Press, 2006).
13 Francisco O. Ramirez, 'The Rationalization of Universities', in *Transnational Governance: Institutional Dynamics of Regulation*, ed. by M.-L. Djelic and K. Shalin-Andersson (Cambridge: Cambridge University Press, 2006), 224–245; Gili Drori, John W. Meyer, Francisco O. Ramirez, and Evan Schofer, *Science and the Modern World Polity: Institutionalization and Globalization* (Stanford: Stanford University Press, 2003); John W. Meyer and B. Rowan, 'Institutionalized Organizations: Formal Structure as Myth and Ceremony', *American Journal of Sociology* (1977), 340–363; David Kamens, *Beyond the Nation State* (London: Emerald, 2012); Brian Rowan and Cecil G. Miskel, 'Institutional Theory and the Study of Educational Organizations', in *Handbook of Research on Educational Administration*, ed. by J. Murphy and K. Seashore-Louis (San Francisco: Jossey-Bass, 1999).
14 See Heinz-Dieter Meyer, 'Tocqueville's Cultural Institutionalism Reconciling Collective Culture and Methodological Individualism', *Journal of Classical Sociology*, 3 (2003), 197–220.
15 See Jon Elster, *Alexis de Tocqueville, the First Social Scientist* (Cambridge, UK: Cambridge University Press, 2007); Raymond Boudon, *Tocqueville for Today* (Paris IV: Bardwell Press, 2006).
16 Amartya Sen, 'Introduction' in Adam Smith, *The Theory of Moral Sentiments* (London: Penguin, 2010), 3–15.
17 Robert E. Goodin, *The Theory of Institutional Design* (Cambridge, UK: Cambridge University Press, 1996); Johan P. Olsen, 'Institutional Design in Democratic Contexts', *Journal of Political Philosophy*, 5 (1997), 203–229; Jon Elster, Claus Offe, and Ulrich K. Preuss, *Institutional Design in Post-Communist Societies: Rebuilding the Ship at Sea* (Cambridge, UK: Cambridge University Press, 1998); Archon Fung, *Empowered Participation: Reinventing Urban Democracy* (Princeton, NJ: Princeton University Press, 2003); Adrian Vermeule, *Mechanisms of Democracy: Institutional Design Writ Small* (New York, NY: Oxford University Press, 2007).
18 Jean-Jacques Rousseau, *Emile: Or, on Education* (New York, NY: Basic Books, 1979), 344.
19 Alexander Hamilton, James Madison, and John Jay, *The Federalist Papers* (New York, NY: Simon and Schuster, 1964); Bernard Grofman and Donald Wittman, *The Federalist Papers and the New Institutionalism* (New York, NY: Agathon, 1989).
20 Bernard Grofman, and Wittman, *The Federalist Papers and the New Institutionalism*, 1–4.
21 Herbert Simon, *The Sciences of the Artificial* (Boston, MA: MIT Press, 1996); see also: William Starbuck and Roger L. M. Dunbar, 'Learning to Design Organizations and Learning from Designing Them', *Organization Science*, 17 (2006), 171–178; Axelrod and Cohen, *Harnessing Complexity: Organizational Implications of a Scientific Frontier*.
22 Goodin, *The Theory of Institutional Design*.

23 Fung, *Empowered Participation.*
24 Alexis de Tocqueville, *Democracy in America* (New York, NY: Anchor, 1969).
25 Hamilton, Federalist #70.
26 Clark Kerr, *The Uses of the University* (Cambridge, MA: Harvard University Press, 2001), 1, On the ambiguities of "private" and "public" in higher education, see Daniel C. Levy, '"Private" and "Public." Analysis amid Ambiguity in Higher Education', in *Private Education: Studies in Choice and Public Policy*, ed. by Daniel C. Levy (New York, NY: Oxford University Press, 1986), 170–194.
27 Jonathan R. Cole, *The Great American University: Its Rise to Preeminence Its Indispensable National Role Why It Must Be Protected* (New York, NY: Public Affairs, 2009).
28 Max Weber, 'Science as Vocation', in *From Max Weber*, ed. by C. Wright Mills, trans. by Hans Heinrich Gerth (New York, NY: New York Free Press, 1946).
29 Jürgen Habermas, 'The Idea of the University: Learning Processes', in *The New Conservatism: Cultural Criticism and the Historian's Debate*, ed. by S.W. Nicholson (Cambridge, MA: MIT Press, 2015), 100–127.

2 Ticknor in Göttingen
The Discovery of a New Institution

On October 14, 1815, George Ticknor, the scion of one of Boston's first families, who counted John Adams and Thomas Jefferson among his friends, penned a letter to Jefferson from the small town of Göttingen, Germany, where he had taken up studies. Göttingen, Ticknor noted to Jefferson, was the foremost place of higher learning in Germany, nay Europe, its progress "chiefly affected by the *constitution of the universities*" (my emphasis).[1]

Ticknor's first letter was followed by a voluminous correspondence in which he communicated to his American compatriots that he had, in effect, discovered a new institution, one that was operating on a new institutional blueprint. The professors, he noted, were pervaded by an "enthusiasm . . . which has brought them [the Göttingen professors] forward in forty years as far as other nations have been three centuries in advancing. . . ."[2]

Ticknor (who would go on to become Professor of Belles Lettres at Harvard University and the initiator of the first attempt at a thorough reform of the college) ended up spending two years in Göttingen, which he later recalled as the two most intense years of learning in his life. He was soon followed by other young academics from Boston and eventually the nation, ultimately amounting to an estimated eight to ten thousand Americans, most of whom returned as converts to the new model of higher education.

Ticknor's encounter with Göttingen can serve both historically and analytically as the starting point of an inquiry into the institutional learning and design changes that emerged as Americans went about building their own version of the university. Historically, because Ticknor stands at the head of a long line of Americans who went to study in Germany not only for the intellectual enrichment and the coveted "Dr." degree, but also to understand the workings of the modern research university, which still had to be built on American soil. Analytically, because my study seeks to apply and extend Ticknor's fine sense for *institutional detail* that distinguished the German university from American higher education.

Ticknor, who had received a Bachelor's degree from Dartmouth College, had come to Göttingen to see for himself what Madame de Stael had described in her *D'Allemagne* (published just a year earlier) as a foremost place of higher learning. And judging from the letters Ticknor sent back

home, he had struck gold. Ticknor was above all impressed by a new kind of spirit pervading higher learning. The professors of Göttingen University, he thought, brought a "*philosophical* spirit . . . to the labour of exposition which was wanting in the same class in all other countries" (my emphasis).[3] And he went on to observe that, thanks to the university's new constitution,

> the professors are kept perpetually in a grinding state of excitement and emulation, and by the constitution of their literary society generally, which admits no man to its honours, who has not written a good book.[4]

Ticknor was soon followed by other aspiring academics from Boston—Edward Everett, Joseph Cogswell, George Bancroft, Henry W. Longfellow.[5] This small group of students making the arduous and hazardous voyage to Göttingen pioneered what was to become a process of "mass migration" in which members of the American educational elite flocked to German universities, ultimately amounting to an estimated eight to ten thousand.[6] Most of them returned as converts to the new model of higher education, and many became active and influential university builders upon their return.[7]

American Academia Antebellum

Before the emergence of the modern American university in the second part of the 19th century, young men and women eager to receive an education could attend one of the many colleges of the country, most of which offered four years of study of "classical" college instruction. Frequently of denominational origin, the curriculum was heavily geared towards recitation and drill in Latin, Greek, mathematics, and the Bible.[8] In many of these colleges, piety was more important than intellect, discipline more important than creativity. The dominant "philosophy" of college education was "mental discipline and furniture of the mind"[9]—to provide the student with a general framework of knowledge that could be filled with detail in the student's ensuing career in the professions. Having earned a bachelor of arts (BA), in some instances a student was able to go on for an MA degree by hanging around campus for another year or two. But no formal course of study was offered. Religious sectarianism and local pride made for a highly decentralized system of small colleges, each characterized by a unique and homogeneous academic culture. But whatever their differences in religious outlook, academically most colleges shared a single, uniform curriculum pivoting on recitation and memory drill. The drudgery of college life was part of the student lore described by John Trumbull under the heading "progress of dullness": "in the same round condemn'd each day / to study, read, recite and pray."[10] Ralph Waldo Emerson fired a broadside against the prevailing kind of education in his 1837 speech about "The American Scholar," charging colleges with producing "instead of Man Thinking . . . the bookworm" and calling on them "not to drill, but to create."[11] The air of rigidity and

discipline was enforced by the belief of college administrators that it was their duty to act *in loco parentis*. All but a few colleges were financially on shaky ground, depending for their survival exclusively on tuition and private donations.

To be sure, among the large number of small colleges a few stood out: Harvard College, founded in 1636 by the "Great and General Court of Massachusetts" only 16 years after the Mayflower had landed at Provincetown; the College of William and Mary, which the young Thomas Jefferson had attended; or Dartmouth College in New Hampshire, where Ticknor had studied. These were venerable institutions, strongly influenced by the English example of college education, largely catering to an upper class clientele of future lawyers, ministers, and physicians. Any significant expansion of educational opportunities was checked by the limited scientific needs of a predominantly agrarian society, as well as by the egalitarian sentiments of Jacksonian democracy, where a youth spent in studies was widely considered a youth wasted in idleness. Businessmen were especially adamant in denouncing college, believing that it taught the student about "petty squabbles of a far-distant past," "languages which are dead," and knowledge "adapted for life on another planet," and was therefore fatal to success in the business world.[12] Americans, especially of the first half of the 19th century, had no use for "idle dudes."[13] And given their Yankee ingenuity, they also did not need any. Whatever technical or scientific problems the young country had could be solved by the ingenious spirit of its laboring men, for which such multi-talents as Benjamin Franklin, the famous inventor of the lightning rod among other things, were living proof.

Ticknor was a product of that system, and when he came to Göttingen, he knew that he had discovered a new institution.

The First American Graduate Student

Even though he was prepared for his trip to Germany by Madame de Stael's sympathetic portrayal of cultural and literary life in Germany, Ticknor was nonetheless awestruck by the vitality of learning and scholarship he found in Germany. His experience of academic life in the United States had not been too different from Adam Smith's experience at Oxford, which we will encounter in the next chapter. The academic life he found in Göttingen was of a different order.

On October 14, 1815, after two months in Göttingen, he wrote his first long report to Thomas Jefferson:

> From what I had read of their literature in America I was satisfied it was very extraordinary but my expectations have been much exceeded. In ancient learning they are unrivalled. Dr. Parr, the best scholar alive in England, and certainly quite as vain of his own reputation and quite as proud of his country as a scholar need to be, bore to me a reluctant

> but decisive testimony to the superiority of Germany, which he justly attributed to a spirit of liberality and philosophy in their learning, which makes but slow progress in England.[14]

But while the achievements of particular scholars like Gauss and Heyne stood out, Ticknor was most impressed by a new culture of learning and scholarship:

> . . . [N]o man can come into their country and see their men of letters and professors, without feeling that there is an enthusiasm among them, which has brought them forward in forty years as far as other nations have been three centuries in advancing and which will yet carry them much farther without seeing that there is an unwearied and universal diligence among their scholars—a general habit of labouring from fourteen to sixteen hours a day—which will finally give their country an extent and amount of learning of which the world has before had no example.[15]

Laboring long hours was not limited to the faculty. Ticknor, probably one of the more diligent students at Göttingen, described his study routine as follows: from 5.00–7.30 study Greek at home; from 8.00–9.00 a lesson with Professor Benecke in German; from 9.00–10.00 an hour with Professor Eichhorn in philology. After a 15-minute walk, he would continue his study of Greek at home. At noon he would take his "dinner," and then read Blumenbach's manual before attending his lecture at 3 pm. From six to seven an of hour fencing. After that "read German" until ten.

Contributing to the intensity of the studies was the absence of social visits. "Visiting, as it is done in our colleges, is a thing absolutely unknown here."[16] Seeing one's best friend once a week was quite enough, Ticknor found. But any deficit in social intercourse was made up by the welcoming openness of the professors, many of whom were treating the young student as junior scholar.

A New Design

What was the cause for Göttingen's progress? In March 1816, he had settled on the notion that it was a new "constitution of the universities" that kept the professors "in a grinding state of excitement and emulation," in part by making academic publishing productivity the prerequisite for gaining the recognition of one's peers. No man, Ticknor observed, was admitted to the university's "honours, who has not written a good book."[17] In Göttingen, research and scholarship had evolved from an amateur's pursuit to a profession, and that profession had found an institutional home in the university. With it came an organizational culture that rewarded scholarly creativity and industry. "Learning is here as much a profession and occupation as

merchandise . . . while in America learning is generally an accomplishment and a show—a gala dress but not homely wear."[18]

Scholarship as a profession was based on another institutional innovation: the library. Ten months after his arrival in Göttingen, Ticknor wrote to Steven Higginson, who as "Steward" at Harvard was in charge of the library:

> I cannot better explain to you the difference between our University in Cambridge [Harvard] and the one here than by telling you that here I hardly say too much when I say that it consists in the Library, and that in Cambridge the Library is one of the last things thought and talked about,—that here [in Göttingen] they have forty professors and more than two hundred thousand volumes to instruct them, and in Cambridge twenty professors and less then twenty thousand volumes.[19]

Another innovation that struck Ticknor was *the lecture system*. As an American college student, Ticknor was used to professors who were not engaged in research, and who presented canonized knowledge to a classroom of docile students. In Göttingen the instruction of students included the presentation of the results of original and recent research by means of formal lecture, called *Vorlesung*. In this way students were involved, if only vicariously, in the process of discovery of knowledge:

> At nine, every day, I go to Prof. Eichhorn's lectures on the first three Evangelists. Though I do not agree with him in his doctrine respecting the origin and formation of the Gospels and am not often satisfied with his general reasoning, yet this forms but a small part of his course; and in return I am delighted with his general exposition of particular parts, his luminous elucidation of dark and doubtful passages, his acute and curious learning, which he brings most happily to the assistance of the exegetical part of his work, and, above all, with his eloquence and enthusiasm, and deep and genuine love of truth.[20]

A final aspect Ticknor observed was the freedom and independence the academic class enjoyed throughout the German states. The men of letters lived in relative separation from society, where they formed "an entirely separate class" and an "invisible empire."[21] As the rulers of the several states competed to recruit men of eminence to "their" universities, they inevitably widened the circle from which these men were drawn. As a result, academics were cosmopolitan in orientation. Unlike ordinary people, who identified with the particular state or province from which they hailed, the professors were a mobile lot. "The king of Prussia would not appoint to any military or civil service . . . any but a Prussian . . . but if a man of letters is wanted, all such distinctions are not even thought of."[22] Being in demand translated into bargaining power for the professors. There is "an extreme freedom" in

thinking, speaking, writing, and teaching, "with the single exception of the actual measures of the government,"[23] which were off-limits. *In toto*, the society formed by these men of letters had an enlightening effect on public opinion:

> In this way, without noise and almost without notice, from Berne to St. Petersburg, and from Munich to Copenhagen, a republic has been formed, extending through all the great and small governments, and independent of the influence of them all, which by its activity unites all the interests of learning, while by its extent it prevents low prejudice from so often oppressing individual merit; and finally, by its aggregate power, resting, as it must, on general opinion, it is able to exert a force which nothing that naturally comes under its influence can resist.[24]

Why Göttingen?

What made the university in the small provincial town in Lower Saxony a pioneer of higher learning? Along with Wittenberg, Jena, and Halle, Göttingen was one of the newer Protestant universities, which challenged the century-old Catholic monopoly on higher learning, providing, as Adam Smith had observed, a healthy stir to inter-university competition. But Göttingen was also favored by a number of unique and fortunate circumstances that facilitated its pioneering role in higher education. Göttingen was founded by a gift of George II of England, who was also Elector of Hanover, in whose southern province Göttingen was located. The university was thus favored by a tie to the British Crown, and by Hanover's desire to use Göttingen to compete with Prussia's eminence in higher education (via its universities in Königsberg and Halle). In addition, Göttingen was also home to a well-known academy, the "Königliche Akademie der Wissenschaft," which Benjamin Franklin had made a point of visiting in 1766.[25]

By 1806 Göttingen had arguably become "the most important German university," earning it the title of "Praeceptores Germaniae."[26] Its reputation was so solidly established that Napoleon could be convinced by a memorandum of Professor Villers to exempt the university from the destructive looting that his victorious troops were dealing out to German institutions and libraries after Napoleon's victory at Jena in 1806.

Göttingen was cosmopolitan in spirit and a vital center of intellectual enlightenment. In the social sciences, for example, August Ludwig Schlözer represented the Göttingen enlightenment, not hesitating to "call on the moral consciousness of his students" in his lectures on the social and political conditions of Germany and Europe.[27] Profiting from the political status of Hanover, Göttingen was a well-known center for English studies. Reflecting their admiration for English constitutional liberties, many professors proudly considered themselves *Halb-Engländer* [half English]. France also loomed large in the mind of the Göttingen professoriate. Some lectures were

held in French and the literature produced by the French *lumières* was followed with great interest by Göttingen professors.[28]

The university at Göttingen was also wealthier than many other German universities. In 1800, almost half of the 377 students came from the state's nobility and higher civil servant families.[29] Freiherr von Münchhausen, who managed the affairs of the university for 40 years, made no bones that he was using the university as a revenue generating "mine." He candidly confessed to his pecuniary motives, proclaiming that his "university moral" was "based on the interest of honor and utility."[30] He believed that university studies should not be free of charge. Tuition paying students were more likely to study attentively and keep their professors on their toes. Superior revenues allowed him to attract scholars with star potential by offering salaries several times that of the average professors, knowing that the investment would pay off in greater student attraction. As a result, studying in Göttingen was expensive, even though low-income students were granted partial tuition waivers and free dining.[31]

Göttingen's relative affluence, along with George II's endowment, gave the university the means to pioneer many of the innovations that liberated the pursuit of science from the fetters of the amateur system, including good laboratories and a well-stocked library.[32] Friedrich Gedicke, who in 1784 made a tour of non-Prussian universities, noted that the scholarly community at Göttingen was animated by an *ésprit de corps*, which "causes them to focus all their activities and all their desires on the good of the university"—a spirit he did not find at Prussian universities. William Clark's detailed interpretation of Gedicke's report suggests that Göttingen's reputation was, to a degree, "self-manufactured," making the university perhaps the first case of "academic capitalism," where professors and administrators jointly and self-consciously engage in their university's strategic self-promotion.[33] Whether or not that is a fair interpretation, it seems clear from Gedicke's report that in the 1780s the professors of Göttingen had a sense of collective pride bordering on snobbism—something boosted perhaps by their hefty tuition fees, running between 5 and 10 Thaler per course. Professors at Göttingen were also paid more highly, between 400 and 600 Thaler annually, with stars like Schlözer and Eichhorn receiving 1200 Thaler.[34]

Münchhausen's policy of 'tuition dependence' meant that he had to bring in students from aristocratic strata, as well as foreign students. Those, in turn, could only be attracted if the faculty included qualified and famous professors. As part of his strong control of the university, Münchhausen appropriated the right of hiring the university's faculty, which until then had been a corporate right of the university.[35]

The University at Göttingen also became a pioneer for the emancipation of *Wissenschaft* from theology. Among its leading scholars were Mosheim, Michaelis, and Heyne. Before ascending to the presidency of Göttingen University, Mosheim was a professor of Protestant theology who had advised

the government at Hanover on the blueprint for the new university. Forward looking, Mosheim decreed that "theology [had] no longer the right of censorship."[36] Up until then, turf disputes were automatically determined by the theological faculty. Göttingen also decided to "take [the] Christian language out of the university oath."[37] In a conflict between imperatives of scholarship and religion, Göttingen unerringly opted for scholarship. Mosheim stressed the importance of independent historical criteria in writing the history of religion. He also insisted that writing church history was a subject for historians, not theology. Following in Mosheim's path were scholars like Eichhorn, who pioneered the use of philological methods to determine the origin of biblical sources.

Thus favored by history and circumstance, Göttingen was up and running when the new intellectual vogues and Humboldt's reform ideas spread through Germany. Anyone who was looking for higher education in the new spirit had to consider Göttingen as a leading contender. Thus it was no surprise that Madame de Stael's book *D'Allemagne* (first published in 1814) singled Göttingen out as the most advanced seat of learning in Germany. Having operated on a modern plan for more than half a century, Göttingen provided the pioneers of education reform in Prussia with a practice-proven model.[38] As Howard points out: "Göttingen in particular served as an important model for the University of Berlin."[39]

Blueprint for a New Design

Taken together, Ticknor's letters contain many elements of the blueprint for the design of the modern university:

–the elevation of scholarship from amateur pursuit to a profession;
–teaching *and* research as centerpiece of the university;
–seminar and lecture as means to combine teaching and research and educate students for and through the conduct of research;
–freedom to elect one's courses;
–a well endowed scientific library accessible to all members of the university, including students;
–and a culture of emulation and rivalry for academic prestige.

In Göttingen, an institution had evolved that was then unknown in the United States, an institution that made its members play by new rules. This new institution altered the way individuals behaved and judged each other. One's standing among this group came to depend solely on one's ability to produce knowledge—as judged by one's peers. The expectation of research as a full-time professional pursuit was thus reinforced by a powerful status system, based on peer judgment. Aware that their standing in this new institution depended on their research and publication, the professors remained in a "perpetual state of excitement."[40] To belong, you had to excel.

Ticknor was witnessing a true institutional innovation, which his letters detailed with remarkable perspicuity and skill. This innovation had been articulated only a few years earlier by a group of intellectuals and artists around the scholar (and former Göttingen student) Wilhelm von Humboldt who were able, in a moment of national crisis, to establish the university on a new foundation. His observations hone in, again and again, on issues of design, the specific arrangement of rules, roles, and practices that make a given number of mortals work at the height of their ability, seeing not this or that remarkable scholar, but "the constitution of their academic society"[41] as the chief cause of Göttingen's success.

After Ticknor returned to the United States and upon assuming his professorship at Harvard, he became a tireless promoter of the Göttingen system—especially the freedom of students to elect their courses. Alas, save for being able to make certain changes in his own department, his Harvard colleagues were not ready for his ideas. Charles Eliot, the founder of modern Harvard, probably summarized Ticknor's contribution appropriately when he said that Ticknor was "50 years in advance of his time."[42] Under Eliot, however, the tide changed and changed dramatically. By the time he assumed the presidency at Harvard, thousands of young Americans had returned from studying in Germany. And in 1891, at the midpoint of Eliot's 40-year tenure as Harvard president, one of his most senior professors of philosophy, Josiah Royce, found ". . . a generation that dreamed of nothing but the German University. England was passed by. It was then understood not to be scholarly enough. France, too, was then neglected. German scholarship was our master and our guide. . . . One went to Germany still a doubter . . . one returned an idealist, . . . burning for a chance to help build the American University."[43]

Notes

1 Orie William Long, *Literary Pioneers: Early American Explorers of European Culture* (New York: Harvard University Press, 1935), 22.
2 Ibid.
3 Ibid.
4 Ibid.
5 For Ticknor's influence, see also: Orie William Long, *Thomas Jefferson and George Ticknor: A Chapter in American Scholarship* (Williamstown, MA: McClelland Press, 1933) and David B. Tyack, *George Ticknor and the Boston Brahmins* (Cambridge, MA: Harvard University Press, 1967).
6 Jürgen Herbst, *The German Historical School in American Scholarship: A Study in the Transfer of Culture* (Ithaca, NY: Cornell University Press, 1965), 1.
7 The academic migration of Americans to Germany is documented in Konrad H. Jarausch, 'American Students in Germany, 1815–1914: The Structure of German and U.S. Matriculants at Göttingen University', in *German Influences on Education in the United States to 1917*, Publications of the German Historical Institute (Cambridge, MA: Cambridge University Press, 1995).
See also Paul Gerhard Buchloh and Walter T. Rix, *American Colony of Göttingen: Historical and Other Data Collected Between the Years 1855 and 1888* (Göttingen, Germany: Vandenhoeck & Ruprecht, 1976).

8 For an image of the pre-university American academia, see Laurence R. Veysey, *The Emergence of the American University* (Chicago, IL: University of Chicago Press, 1965), especially the chapter on 'Discipline and Piety', 21–56; see also Richard J. Storr, *The Beginnings of Graduate Education in America* (Chicago, IL: University of Chicago Press, 1953), 1–6.
9 Veysey, *The Emergence of the American University*, 195.
10 Rosetta Marantz Cohen and Samuel Scheer, *The Work of Teachers in America: A Social History Through Stories* (Mahwah, NJ: Lawrence Erlbaum Associates, 1997), 16.
11 Ralph Waldo Emerson, 'The American Scholar. An Oration before the Phi Beta Kappa Society, August 31, 1837', in *Essays and Lectures* (New York, NY: Library of America, 1983), 57–59.
12 Laurence Veysey quotes Andrew Carnegie to that effect in *The Emergence of the American University*, 13.
13 Richard Hofstadter, *Anti-Intellectualism in American Life* (New York, NY: Knopf, 1966), 155–160.
14 Long, *Thomas Jefferson and George Ticknor: A Chapter in American Scholarship*, 14.
15 Ibid.
16 George Ticknor, *Life, Letters, and Journals of George Ticknor* (Boston, MA: J.R. Osgood, 1876), 80.
17 Ibid. 17.
18 Quoted in: Anna Ticknor, George Ticknor, Thomas Adam, and Gisela Mettele, *Two Boston Brahmins in Goethe's Germany: The Travel Journals of Anna and George Ticknor* (Plymouth, UK: Lexington Books, 2009), 76.
19 Long, *Literary Pioneers*, 13.
20 Ticknor, *Life, Letters, and Journals of George Ticknor*, 79.
21 Ibid. 100.
22 Ibid. 102.
23 Ibid. 99.
24 Ibid. 101.
25 Emma Gertrude Jaeck, *Madame de Staël and the Spread of German Literature* (New York, NY: Oxford University Press, American Branch, 1915), 20.
26 Luigi Marino, *Praeceptores Germaniae: Göttingen 1770–1820* (Göttingen, Germany: Vandenhoeck & Ruprecht, 1995), 5.
27 See the portrait of Schlözer in Bärbel Kern and Horst Kern, *Madame Doctorin Schlözer: ein Frauenleben in den Widersprüchen der Aufklärung* (Münich, Germany: Beck, 1988), 20.
28 Marino, *Praeceptores Germaniae*, 20.
29 Ilse Costas, 'Die Sozialstruktur der Studenten der Göttinger Universität im 18. Jahrhundert', in *Anfänge Göttinger Sozialwissenschaft: Methoden, Inhalte und soziale Prozesse im 18. und 19. Jahrhundert*, ed. by Hans-Georg Herrlitz and Horst Kern (Göttingen, Germany: Vandenhoeck & Ruprecht, 1987), 27–49.
30 "Meine Universitätsmoral ist auf das Interesse der Ehre und des Nutzens gegründet." Quoted in: Helmut Schelsky, *Einsamkeit und Freiheit* (Düsseldorf, Germany: Bertelsmann, 1970), 32.
31 Costas, 'Die Sozialstruktur der Studenten der Göttinger Universität im 18. Jahrhundert'.
32 Friedrich Geicke, 'Göttingen', in *European Society in the Eighteenth Century*, ed. by Elborg Forster (New York, NY: Walker, 1969), 314. The German original in: *Der Universitäts-Bereiser Friedrich Gedicke und sein Bericht an Friedr*. Wilhelm II, mitgeteilt von Richard Fester. in: Archiv für Kulturgeschichte, vol. I, Ergänzungsheft, Berlin 1905.
33 William Clark, *Academic Charisma and the Origins of the Research University* (Chicago, IL: University of Chicago Press, 2008), 377.

34 For context: in 1787 Prussia spent 43.000 Thaler on its universities. See Thomas Albert Howard, *Protestant Theology and the Making of the Modern German University* (New York, NY: Oxford University Press Oxford, 2006).
35 Ibid. 107.
36 Ibid. 109.
37 Ibid. 120.
38 Schelsky, *Einsamkeit und Freiheit*, 44.
39 Howard, *Protestant Theology and the Making of the Modern German University*, 88.
40 Ticknor, *Life, Letters, and Journals of George Ticknor*.
41 Ibid.
42 Eliot, quoted in Long, *Thomas Jefferson and George Ticknor*, 54.
43 Josiah Royce quoted in Veysey, *The Emergence of the American University*, 130.

3 Adam Smith and "The Very Absurd Constitution of the English Universitys"

In August of 1740, two months after matriculating at Oxford University, 17-year-old Adam Smith wrote to his guardian and cousin William Smith to thank him for a stipend of 16 pounds. That money was the first installment of Smith's annual scholarship of 40 pounds, which he received from Glasgow University. The money came from a fund set aside so that promising Glasgow students could study at Oxford. After paying his living expenses (30 pounds) and his tutor (5 pounds), there could not have been much left for anything else. But the chief complaint of the future author of the "Wealth of Nations" was not how much Oxford charged, but how little he got in return: ". . . it will be his own fault if anyone should endanger his health at Oxford by excessive Study, our only business here being to go to prayers twice a day, and to lecture twice a week."[1]

Smith would have compared Oxford—by reputation the premier seat of learning in the Kingdom—to the much smaller University at Glasgow, where he had studied the previous three years. At Glasgow, students attended daily classes from 7.30 am to 1.30 pm. They had to write essays for their classes and show up for daily examinations by their tutors.[2] A student like Smith, who excelled at Glasgow, would have understandably been underwhelmed with Oxford.

Smith never changed his view on Oxford as an institution in a "state of degradation and contempt."[3] Twenty-six years later he still had uncharacteristically strong words for Oxford in the *Wealth of Nations*: "In the university of Oxford, the greater part of the publick professors have, for these many years, given up altogether even the pretence of teaching."[4] To Smith, Oxford, and English universities more generally, had become "sanctuaries in which exploded systems and obsolete prejudices found shelter and protection, after they had been hunted out of every other corner of the world."[5]

In Smith's view, Oxford's sorry state stemmed "first, from the large salaries" that made the professors independent of their effort, and secondly, from the great number of students "who . . . are obliged to resort to certain societies of this kind, whether the instructions which they are likely to receive there are or are not worth the receiving."[6] With these words Smith characterized what would become the foundation for his ideas on the design of the university.

Oxford in a State of "Degradation and Contempt"

Smith was not the only scholar critical of Oxford. The future historian Edward Gibbon attended Oxford not long after Smith. He complained that his 14 months at the university were the "most idle and unprofitable" of his whole life. Had his father not forced him to leave Oxford and continue his studies in Lausanne, Switzerland, his most important years of formation "would have been steeped in port and prejudice among the monks of Oxford,"[7] and he may well not have gone on to write his monumental account on the *Decline and Fall of the Roman Empire*. Jeremy Bentham, who came to Oxford a few years after Gibbon, wrote: "The lecturers had ceased lecturing; being paid independently of their personal industry, and being responsible only to one another."[8]

Controlled by the Church of England, Oxford, like most English universities, saw its main task in teaching theology, classical languages, and mathematics. And the university's idea of teaching was mainly a student's self-study that would occasionally be punctuated by discussions with a tutor. Even a century after Smith, John Stuart Mill compared the English universities unfavorably to the Scottish. In his 1867 Inaugural Address, given at St. Andrews University, he claimed that "youths come to the Scottish Universities ignorant, and are there taught. The majority of those who come to the English Universities come still more ignorant, and ignorant they go away."[9] Of the professors at English universities, he said that they were only "nominal professors, who did not lecture."[10]

An important factor contributing to 18th century Oxford's slothful regime was the privileges that came with aristocratic rank. In his 1996 book on historic Oxford, Graham Midgley, long-time tutor at Oxford College, relates how students at Oxford were categorized according to social status as belonging to either "nobility," "gentleman commoners," or "servitors." Students of noble rank were not required to prove any academic proficiency to their tutors. Servitors (students who came from poor parents), by contrast, were allowed to study in exchange for providing services (e.g., in the dining halls) to their socially superior peers. The joke went that servitors were "men of wit and no fortune," while the gentlemen commoners were "men of fortune and no wit."[11] A typical complaint in 1758 focused on the license that came with rank: "the higher a young man's rank is, the more he is suffered to be idle and vicious in our universities."[12]

Corruption and Decline of the Medieval University

From Adam Smith to John Stuart Mill, the critics had before them exemplars of the medieval university in its period of terminal decline. The medieval university had been a key building block in the Catholic Church's dominion over the Holy Roman Empire. It prepared Catholic clergy in the reading of scripture and how to ace theological disputes. Being the largest

formal organization in Europe and engaged in many functions of public administration, the church needed a clergy of professionally trained officials. Theology was the key medium for their training, and many of the professors also occupied a post in the Church hierarchy.

As Smith was to point out in the Wealth of Nations, universities were guild-like organizations, which shared the guild's goal of turf-protection and access control. (In fact, as Smith points out, the very term 'university' initially was the umbrella term for all guilds: "university of boilermakers," "university of scribes," etc.). The university's organizational blueprint was everywhere the same: theology ranked first in the medieval university, followed by law, medicine, and philosophy, which occupied the lowest rank in the prestige hierarchy. The University of Paris—founded in 1170—became the institutional model for all other universities that sprang up throughout Europe. When the University of Heidelberg was chartered in 1386, its founders were mandated to follow the example of the University of Paris in every detail.[13]

The curriculum, which consisted of the Trivium (grammar, rhetoric, logic) and the Quadrivium (arithmetic, geometry, astronomy, music), was all taught in Latin. Aristotle's works played a key role, especially his logic. In fact, the rediscovery of Aristotle's works was a key prompt for the renaissance of organized academies throughout Europe. At Paris, where Abelard soon rose to great fame, it took 16 years to obtain a doctorate in theology. Five or six of those years were spent as auditor, attending lectures and disputations.

Having grown and prospered for much of six centuries, the medieval university entered a period of secular decline in the 18th century. Symptoms of decline were decreasing student enrolment, a surge in student violence, and, most importantly, the university's declining relevance in matters of scholarship. During the 17th and 18th centuries, most important innovations in science and philosophy were being worked out *outside* the universities. Leibniz, Newton, Bacon, Descartes, Lessing, Goethe, Schiller, Alexander von Humboldt, Montesquieu, all the way to the honorable Benjamin Franklin—these were all private scholars working on their own, organized, if at all, in scientific academies and communicating via informal networks, which Diane Crane dubbed "invisible colleges"[14]—private discussion circles of the likeminded. Galilei Galileo was one of the few exceptions—a professor at Pisa and Padua—who famously ran afoul of the Church hierarchy when he challenged the geocentric worldview.

That the medieval university was deeply compromised was also reflected in student behavior. Unchallenged by the curriculum, and with plenty of time on their hands, students engaged in drinking, fighting, and keeping towns unsafe for young women. In fact, some parents rather saw their sons go off to war than to university.[15] Things were not helped by the universities' right of self-government, which exempted them—and the students—from the towns' civic jurisdiction. Students who disturbed the peace of the town were subject to usually less stringent university discipline.

Another reason for the poor teaching was that doctors of theology were often part of the ruling class, their services being in demand by city, government, and religious order. Thus they simply were often not on campus to teach.[16]

In the late 18th century, the university's decline seemed indeed irreversible. Shrinking enrolment forced many universities to close. From 1789 to 1815, the number of Europe's universities dropped from 143 to 83. Many believed that the university was doomed and should be abolished. France went furthest in its anti-university reforms. During the revolution, the universities were suppressed and dissolved because of their association with the Catholic Church. After the revolution, Napoleon replaced the universities with a series of polytechnical or engineering schools, and charged them with carrying out research to benefit the state and the nation. In Germany, too, some intellectual leaders called for the abolition of the university. One of them was Johann Heinrich Campe, writer and tutor of the two Humboldt brothers.

Choice and Competition: Main Tenets of Smith's Analysis

Clearly, Adam Smith had not been too far off the mark in his bleak assessment of historic Oxford. But what for others was simply an unpleasant memory, for Smith became an intellectual challenge. That challenge was to understand an economic anomaly: the ability of an institution to persist over decades despite so obviously delivering poor quality in exchange for good money. Even three decades after his ill-fated studies at Oxford, it vexed him sufficiently to make him spend more than 100 pages of his magnum opus analyzing this anomaly, and doing so by using the same principles he deployed for the analysis of conventional markets.

According to Smith, what explained the corruption of universities like Oxford was an institutional design that failed to guard against the abuses that resulted from the individuals' (in this case professors) all too human preference for shirking over working. For professors it was relatively easy to follow that inclination due to the peculiar nature of academic work. Teaching and scholarship were difficult to monitor—the difference between a deep-thinking and an idle professor being sometimes hard to discern. That difficulty made conventional forms of supervision through "extraneous jurisdiction" ineffective. Professors, like most other employees, are likely to take advantage of the difficulty of monitoring their work:

> It is the interest of every man to live as much at his ease as he can; and if his emoluments are to be precisely the same, whether he does or does not perform some very laborious duty, it is certainly his interest, *at least as interest is vulgarly understood* (my emphasis, HDM), either to neglect it altogether, or, if he is subject to some authority which will not suffer him to do this, to perform it in as careless and slovenly a manner

> as that authority will permit. If he is naturally active and a lover of labour, it is his interest to employ that activity in any way from which he can derive some advantage, rather than in the performance of his duty, from which he can derive none.[17]

Obviously, Smith did not share the benign view of professors as high-minded professionals who could be relied upon to "profess" what was their innermost calling, thus producing quality work on their own volition. His view of professors was considerably more dismal. Without external pressure, professors would become slothful.

> In every profession, the exertion of the greater part of those who exercise it is always in proportion to the necessity they are under of making that exertion.[18]

Exceptional individuals might exert themselves to their limit even in the absence of external pressures. But "[g]reat objects . . . alone and unsupported by the necessity of application, have seldom been sufficient to occasion any considerable exertion."[19]

And the best way to stir professors to greater effort was to make their livelihood depend on it. "This necessity is greatest with those to whom the emoluments of their profession are the only source from which they expect their fortune, or even their ordinary revenue and subsistence."[20]

For Smith, the motive structure of professors is best treated as no different from that of 'ordinary people,' whose dominant disposition, he assumes, is to take the easy way out when they can.[21] Contemporary economists recognize this as the "principal-agent" problem, in which the owners (or "principals") of an organization cannot easily monitor or control the work of their agents.[22] Seen through that lens, universities are organizations with huge "principal-agent problems." By failing to exert themselves, professors exploit not only their students; they may also free-ride on society at large, which pays the professors good money but finds itself saddled with quacks for doctors, hacks for lawyers, and ignorant dons for professors.

To stem the tendency to all-around shirking at its root point—the monitoring problem—Smith looked for a way to make the professors' income contingent on the quality of their work. But who is a reliable judge of professors' work? Who had both the requisite expertise and the incentive to provide fair evaluations?

Smith thought that professors, or the community of their peers, could not be relied upon for this purpose because they "make a common cause, to be all very indulgent to one another, and every man to consent that his neighbor may neglect his duty, provided he himself is allowed to neglect his own."[23] External agents like trustees, on the other hand, lacked the requisite expertise to monitor professors. That leaves the students as the professors' main and most reliable judges:

> Reputation in his profession is still of some importance to him, and he still has some dependency upon the affection, gratitude, and favourable report of those who have attended upon his instructions; and these favourable sentiments he is likely to gain in no way so well as by deserving them, that is, by the abilities and diligence with which he discharges every part of his duty.[24]

A professor's students would most likely have both actual knowledge of the professor's work and an incentive to judge them fairly. "No discipline is ever requisite to force attendance upon lectures which are really worth the attending, as is well known wherever any such lectures are given."[25] The solution was thus to have students pay the professors directly. This would require, however, that students were free to vote with their feet, unobstructed by requirements that would hold them captive to courses they did not like. Yet, historically, this was often not the case. One of the primary obstacles in a student's free choice were degree and residence requirements, required courses, as well as restrictions on students' (and professors') freedom to move from one institution to another. Because the medieval university imposed many such requirements on students, Smith was particularly critical of it:

> When the Catholic Church obtained control of the greater part of scholarship in Europe, it had a disastrous effect on the advancement of science. In fact, the progress made by the Greeks who had organized the subjects of science under three heads: natural, moral, and logic, was retarded because in the universities of Europe philosophy was taught only as subservient to theology.[26]

In contrast to the Catholic Church's higher education monopoly, competition would raise overall quality, spurring the laggards to emulate the better institutions. "Were the students . . . left free to choose what college they liked best, such liberty might perhaps contribute to excite some emulation among different colleges."[27] The same was true for professors: "A regulation, on the contrary, which prohibited even the independent members of every particular college from leaving it and going to any other, without leave first asked and obtained of that which they meant to abandon, would tend very much to extinguish that emulation."[28]

Just as students needed to be free to choose their lectures and lecturers, so they (and the professors) needed the freedom to choose between universities. While the medieval university had long suppressed such choice and competition, this situation changed as a result of the Reformation, when Protestant rulers founded new universities in their realm to compete with their Catholic rivals. Initially, these universities were small, but over time they assumed a critical mass that proved to Smith the positive effects of competition. Smith's dim view of the effect of the Roman Catholic Church on European culture was shared and perhaps informed by the judgment of

his friend Edward Gibbon, who had concluded that Christianity had stifled public spirit and the advancement of knowledge throughout Europe.[29]

For evidence, Smith could point to the breakthroughs in science and philosophy which had taken place outside the universities or in the poorer and smaller Protestant universities, "in which the teachers, depending upon their reputation for the greater part of their subsistence, were obliged to pay more attention to the current opinions of the world."[30] One of these small Protestant universities was Wittenberg, which already in 1600 was famous enough to be invoked by Shakespeare as Hamlet's seat of learning. Another one was going to be the university at Göttingen.

The Limits of External Oversight

But would external oversight not do some good to stem the corruptive tendencies of universities? Smith concedes that bishops or governments can prevent the worst, but they are unable to bring about the best:

> All that such [religious or government] superiors, however, can force him [the professor] to do, is to attend upon his pupils a certain number of hours, that is, to give a certain number of lectures in the week or in the year. What those lectures shall be must still depend upon the diligence of the teacher; and that diligence is likely to be proportioned to the motives which he has for exerting it.[31]

Moreover, Smith cautions that any external oversight over the university is

> . . . liable to be exercised both ignorantly and capriciously. In its nature it is arbitrary and discretionary, and the persons who exercise it, neither attending upon the lectures of the teacher themselves, nor perhaps understanding the sciences which it is his business to teach, are seldom capable of exercising it with judgment. From the insolence of office, too, they are frequently indifferent how they exercise it, and are very apt to censure or deprive him of his office wantonly, and without any just cause.[32]

An Equilibrium of Collusion: The Corruptibility of Higher Education

For Smith, the corruption that could take hold of individual professors and institutions could easily affect society at large as long as higher education lacked effective checks on the ubiquitous temptation to shirking, and as long as universities could freely exploit their exalted reputation. As universities realized that they could earn the same income with less work, they would become locked in a race to the bottom. Smith believed that such had been a realistic prospect in his time. "Had the hopeful project of the rich and great Universities [like Oxford, HDM] succeeded, there would have been no

occasion for sense or science."[33] The public has few ways of distinguishing diplomas that certify true learning from those purchased by the highest bidder. And since being "a doctor would alone have been sufficient to give any man rank, dignity, and fortune enough,"[34] university degrees would always be in high demand. Students could go out into the world claiming knowledge or skills they did not have. The only remedy against this was to make sure that no institution would monopolize higher education:

> Had the Universities of Oxford and Cambridge been able to maintain themselves in the exclusive privilege of graduating all the doctors who could practice in England, the price of feeling a pulse might by this time have risen from two and three guineas, the price which it has now happily arrived at, to double or triple that sum; and English physicians might, and probably would, have been at the same time the most ignorant and quackish in the world.[35]

If we follow Smith's analysis of higher education, the incentives are stacked to make an equilibrium of universal collusion the most likely outcome. Professors lower their standards, students accept it, and administrators in the university don't mind because easier degrees drive up registration. The middle classes, from whom the majority of students are recruited, also benefit, because more of their children go on to become doctors and lawyers. In the short term, everyone seems to win. The only 'victim' here is society, which is saddled with incompetent professionals and a stagnant intellectual and scientific life—and which is too ignorant to know the difference.

In this fashion higher education can become corrupted even as the individual players merely pursue their ordinary self-interest: professors failing to update their teaching, students unable or unwilling to complain about unchallenging courses, administrators failing to call professors to duty, and parents failing to complain about their young students' excess of leisure. All players have plenty of incentives to engage in collusion. As long as the university retains its exalted reputation in society, and as long as academic degrees confer distinct career advantages, the rational thing for everyone is to collude. The result would be an increasingly bloated system, with an insatiable appetite for resources. The university becomes a petrified institution in which mandarin professors worship at the altar of the dead letter of knowledge while students enjoy the benefits of privilege-granting diplomas signifying little in the way of learning.

Smith's analysis of higher education leads to the conclusion that the university is a highly corruptible and easily corrupted institution. That result follows from a model of academic behavior which he derived from four basic assumptions:

–that the university will always occupy a position of prestige and admiration in society;

–that academic work is hard to monitor;
–that professors are—individually and collectively—self-interested;
–and that the kinds of barrier to choice and competition that universities, like guilds, love to employ (degree requirements, residence requirements, and control from extra-academic authorities) limit the ability of the "users" to vote with their feet.

Clearly, these assumptions are neither far-fetched nor without empirical referents. To stave off the resulting consequences, Smith favored a university system that was controlled by the users' choice, which would be greatly facilitated by the users' cash control via tuition.

Problems and Contradictions in Smith's Analysis

Pioneering though it was, Smith's thinking about the university is hampered by serious flaws that have been the source of misguided conceptions and applications among his followers.

Smith saw the university as an institution with built-in tendencies towards corruption. And the only anti-corruptive mechanism his thinking hit upon was the market. The main forces in this market were a) the students choosing their professors; b) professors competing for students; and c) universities competing for both students and professors. He endowed professors with two conflicting dispositions: the disposition to "live at their ease" and the disposition to care about their reputation. The latter disposition could become dominant only when they had to fear loss of income, not because of an intrinsic motivation in scholarship.

Yet, there is evidence that Smith had a fuller view of what motivates scholars and professors to their work, one in which he gave the intrinsic and symbolic satisfactions of scholarship their due. In an earlier section of the *Wealth of Nations*, he points out that the members of professions are often motivated and rewarded by "public admiration," as opposed to money. "It [public admiration] makes a considerable part of that reward in the profession of physic; a still greater perhaps in that of law; in poetry and philosophy it makes almost the whole."[36]

Similarly, in his *Theory of Moral Sentiments*, Smith spoke of a ubiquitous "love of distinction so natural to man."[37] In the pursuit of this love people were willing to make all kinds of sacrifices. "[W]ith what impatience does the man of spirit and ambition, who is depressed by his situation, look round for some great opportunity to distinguish himself."[38] And some of these men find an outlet in the work of scholarship: "It is in the abstruser sciences . . . that the greatest and most admired exertions of human reason have been displayed."[39] Elsewhere in *Theory of Moral Sentiments*, he comments:

> Men have voluntarily thrown away life to acquire after death a renown which they could no longer enjoy. Their imagination, in the meantime, anticipated that fame which was in future times to be bestowed upon them.[40]

Clearly, Smith understood the love for admiration and distinction, which takes many a person into the academy, driving them to great exertions of effort *independent* of their income or their popularity with their students. Immanuel Kant, Smith's German contemporary (who was also a great admirer of his *Moral Sentiments*) wrote on the 'thirst for knowledge': "I am myself by inclination an investigator. I feel a complete thirst for knowledge and an eager unrest to go further in it as well as satisfaction at every acquisition."[41]

And this is not the only serious inconsistency in Smith's treatment of the university. While Smith found everyone in the university capable of opportunistic behavior, he somehow convinced himself that the students were exempt from that near-universal inclination.

Unwarranted Trust in Student Choice and New Sources of Opportunism

For market mechanisms to check the tendency to shirk, Smith needed one group of non-opportunistic actors whose self-interest made them natural watchdogs of the professors. He thought he had found that group in the students. Students were capable to judge a professor's true quality and were motivated to prefer the better professors to the lesser ones. Smith convinced himself that "[w]here the masters . . . really perform their duty, there are no examples, I believe, that the greater part of the students ever neglect theirs."[42]

But his experience at Oxford and elsewhere would have given him plenty of examples that under appropriate conditions students, too, will prefer shirking over working. If professors will act opportunistically when they can get away with it, why would students not do the same and instead of fleeing lazy professors, seek them out so they can be lazy themselves? As we already saw, examples of students leaving university after years of hardly ever cracking a book were all around him. And they could often exalt in the honors their degree conferred—sometimes to the point where their quackery caused palpable harm to their clients.

Moreover, Smith's all-fee system of remuneration would easily introduce *new* sources of opportunism by making professors dependent on the number of students they attract. Under a compensation regime that depended significantly on lecture fees, professors would have a reason to pitch their lectures to the lowest possible denominator in order to maximize attendance and tuition revenue. Consider, for example, the testimony of Victor Cousin, who visited Prussian universities in the early 19th century which were then heavily relying on lecture fees:

> There is an almost magnetic attraction in the large number of students which will subjugate even the strongest soul. A professor who would have been a serious and insightful instructor for 100 attentive students, will become superficial and easy with vain, superficial and careless listeners.[43]

Or, in the words of an early American critic of the markets-in-education system: "What! The teacher leaving his proud vocation, to throw out bait for pupils who may bring a few more dollars to the treasury, or a few more human beings to the lecture-room? [. . .] Shall we apply the doctrines of trade and barter to human souls? Are we to reason about mind and thought and culture and research, as we do about bales of cotton and chests of indigo?"[44] So, while lecture fees can keep professors on their toes, they may also corrupt them and their students.

In addition, Smith's solution would run into a number of practical difficulties. Different sciences will pose different problems to the average student's mind, and different fields will draw larger or smaller numbers of students. The scholars professing to the more difficult or esoteric subjects would not be able to eek out a living from their handful of students.

Finally, and most disastrously for his model, Smith has no way of demonstrating why competition—among professors and among universities—should not produce a race to the bottom rather than the top. Competition and choice are the sine qua non of Smith's model. Through free choice students can move from a shirking to a working professor, professors can move from poorly working to well working institutions, and owners can create new institutions, giving the established ones a run for their money.

But while that's clearly the way Smith wishes competition to work, nothing in the model precludes the race to the top from deteriorating into a race to the bottom. If it is true, as Smith suggests, that the market treats graduates from demanding institutions similarly to graduates from 'easy' ones, students have an incentive to shun the demanding institutions in favor of easy ones. If professors are mainly interested "to live at their ease," they will prefer to teach at 'easy' institutions rather than demanding ones. And university owners who find cheaper ways of ensuring financial solvency will quickly follow suit.

Thus, in the world as he sees it in *Wealth of Nations* (made up of narrowly self-interested actors operating in an environment of competition and choice), everything hinges on the market's ability to discriminate effectively between higher and lower quality. But as the sciences become more complex and more specialized, the average "user's" ability to discriminate and discern in these matters wanes. An institutional design that would better solve the monitoring problem would stand a much better chance to avoid this conundrum.

Universities as Guilds: Tradeoffs of Quality Control

Smith's one-sided distrust in the disposition of professors and a one-sided trust in the disposition of students results in a remedy that is not only impractical but also introduces *new* sources of opportunism and a form of competition equally likely to end in a race to the bottom than one to the top. His position is illuminated by the view he expressed in an interesting,

real-life case, in which he was directly confronted with the intricacies of academic quality control. In a letter from his cousin William Cullen in the summer of 1774,[45] Cullen asked Smith's opinion about a recent decision of the London Board of Visitors. The Board had decided to institute a residency requirement of two years before medical students could be admitted to sit for their exit exam. This new measure was intended to curb the increasing abuse where universities would graduate incompetent students who would go on to harm their patients. Several such cases had just then scandalized London society. Yet, Smith—applying the principles that he would expound in the *Wealth of Nations* two years later—was against the residency requirement because it would provide universities with a "monopoly of medical education."

> Monopolists very seldom make good work, and a lecture which a certain number of students must attend, whether they profit by it or no, is certainly not very likely to be a good one.[46]

While Smith acknowledged that unqualified graduates constituted a problem, he believed that the two-year residency requirement suggested by the Board of Visitors was a cure worse than the ills. It would not only reinforce and cement the universities' monopoly on medical education. It would also disadvantage non-academic, alternative routes to becoming a physician and would keep new institutions from entering the competition. Such new institutions, although they often started out at inferior levels of quality, were usually improving over time; and in any event, they kept the rich and influential universities from driving prices sky-high. Last but not least, shifting the burden of quality control to the universities would increase the credulity of the public vis-à-vis the universities. And the public would become even more docile vis-à-vis the universities' doubtful quality claims.

For Smith, the control of academic quality was subject to a tradeoff in which one had to weigh the benefits and costs of individual stakeholders (e.g., universities with better tools to ensure quality or patients with greater protection against quackery) against the benefits and costs for society as a whole. While universities or patients might gain by having fewer incompetent doctors, society might lose by installing the 'great and rich universities' to a position of quasi-monopoly, which they could exploit to keep out new entrants and drive up prices. Smith's unwillingness to see much positive in universities' assuming a greater degree of quality control over their "products" will strike most contemporary readers as odd. But readers of the *Wealth of Nations* will be reminded that Smith viewed universities as academic guilds and recall the uncharacteristically strong words Smith had for the guilds (and for "Europe's policy" of allowing them) in earlier parts of his book:

> The pretence that corporations [guilds] are necessary for the better government of the trade, is without any foundation. The real and effectual

> discipline which is exercised over a workman, is not that of his corporation, but that of his customers.[47]

For Smith, the guilds' main purpose was to assure their own well-being by restricting competition. They did so by preventing craftsmen from exercising their skill unless they had served a long (usually seven-year) apprenticeship, and by erecting and defending geographic and occupational barriers to occupational mobility. To Smith, any rule or regulation that would add to the power of the guilds was restricting the free flow of capital and labor. Universities were essentially guilds trying to control who could become a physician, a lawyer, or a priest. While it was in the universities' interest to increase degree requirements, it was in the interest of society to prevent them from doing that.

Smith would almost certainly have been contemptuous of that most guild-like institution of the modern university called tenure. But, as Lohmann has pointed out, tenure makes good economic sense (leaving aside here the perhaps even more important speech protections that it entails). Without it the acquisition of many highly specialized skills (linguistics of Sanskrit, anyone?) would be way too hazardous to attract any students.[48] Similarly, the protectionism exercised by the guilds may well have been economically efficient by encouraging individuals to absorb the costs of long years of apprenticeship, hence aiding in facilitating technological innovation.[49] Without the protections guaranteed by the guilds, there would have been no reliable payoff to that investment.

A Note on the "Principal-Agent" Problem in Higher Education

The inconsistencies in Smith's analysis of the university constitute a puzzle that some of his followers have tried to turn into a virtue, insisting that we understand the behavior of professors and universities best when we disregard their pretensions to higher callings and treat them as ordinary maximizers of self-interest. Milton Friedman advanced this position with the greatest alacrity: "universities are run by faculty, and the faculty is interested in its own welfare."[50] In the same vein Richard Posner argued that judges should be treated as "ordinary people" rather than "sainted genius-heroes miraculously immune to the tug of self-interest." "[B]y treating judges as ordinary people, my approach makes them fit subjects for economic analysis. . . ."[51]

The debunking stance assumed by Friedman or Posner, where higher-order motives (like love for learning and discovery) are treated as self-interested pretensions, is especially pronounced in the research literature that applies 'principal-agent theory' to problems in higher education.[52] By using Smith's "principal-agent framework," which, as we saw, is principally developed in an analysis of design problems in higher education, social scientists seek to bring greater analytical rigor and sophistication to this area of research.

Given its prestigious intellectual pedigree and widespread use, the principal-agent model seems to offer just that. But, as Bruno Frey has shown, the principal-agent model is subject to distinct limits. It fittingly describes the relations between independent economic actors that offer few incentives or opportunities for trust and cooperation to develop.[53] For example, the world of 'moral hazard' that prevails in the relationship between insurance company and policy holder[54] would seem to be a perfect application. But that is not the world that prevails in universities. Universities exist only to the extent that some significant portion of its members live up to the norm of the scholar engaged in the pursuit of new knowledge for its own sake, a pursuit so intrinsically attractive that they will sacrifice weekends, family, and easier ways of making a living. As Barry Staw put it in a study of the motivations of university professors: "a good part of individual behavior [in universities] may be non-hedonistic."[55]

The principal-agent model describes a worst-case scenario that may prevail when all chips are down. But most practicing academics will agree that it is hard to imagine a university anywhere near deserving its name where everyone acts in accordance with principal-agent precepts. Smith tried to design an incentive system that would make the university work well even in the absence of normative commitments of students and professors, solely relying on material incentives.[56] His analysis was pioneering in pointing to the very real possibility that universities can be corrupted, and that stifled competition and choice can aid such corruption. But his cavalier discounting of professors' intrinsic love of teaching, research, and discovery, was at best naïve, if not willfully one-sided. He leaves us with an impressive, if incomplete institutional design, leaving the work of completing the design to others who would find a way to tap into the intrinsic rewards of scholarship as a way of stimulating the university's chief actors into the kind of elevated state of "excitement and emulation" that Ticknor would observe.

Notes

1 Adam Smith, *The Correspondence of Adam Smith*, ed. by Ernest Campbell Mossner and Ian Simpson Ross (Oxford, UK: At the Clarendon Press, 1977), 1.
2 John Rae, *Life of Adam Smith* (New York: Augustus M. Kelley, [1895], 1965), 9–17.
3 Letter to William Cullen, 20. September 1774, Smith, *The Correspondence of Adam Smith*, 174.
4 Adam Smith, *An Inquiry into the Nature and Causes of the Wealth of Nations* (New York, NY: Random House Modern Library, 1994), 821.
5 Ibid. 831.
6 Smith, *The Correspondence of Adam Smith*, 175.
7 Quoted in Hugh Trevor-Roper's *History and the Enlightenment* (New Haven: Yale University Press, 2010), 135.
8 Rae, *Life of Adam Smith*, 21.
9 Elizabeth Anderson, 'John Stuart Mill: Democracy as Sentimental Education', in *Philosophers on Education: New Historical Perspectives*, ed. by Amelie Rorty (London: Routledge, 2005), 324.

10 Ibid.
11 Graham Midgley, *University Life in Eighteenth-Century Oxford* (New Haven: Yale University Press, 1996), 8.
12 Ibid. 2.
13 Thomas Albert Howard, *Protestant Theology and the Making of the Modern German University* (New York: Oxford, 2006), 51.
14 Diana Crane, *Invisible Colleges; Diffusion of Knowledge in Scientific Communities* (Chicago, IL: University of Chicago Press, 1972).
15 Thomas Albert Howard, *Protestant Theology and the Making of the Modern German University* (Oxford: Oxford University Press, 2006), 30.
16 Ibid. 59.
17 Ibid. 821.
18 Ibid. 819.
19 Ibid. 820.
20 Ibid. 819.
21 Many modern economists like to follow Smith down this road of applying economic analysis to subjects not usually considered to fall in the dismal science's purview. For example, Richard Posner follows Adam Smith in his economic analysis of legal problems: "By treating judges as ordinary people, my approach makes them fit subjects for economic analysis. . . ." Richard A. Posner, *Overcoming Law* (Harvard, MA: Harvard University Press, 1995), 110.
22 See Michael A. Spence and Richard Zeckhauser, 'Insurance, Information, and Individual Action', *American Economic Review*, 61(2) (1971), 380–387 and Oliver E. Williamson. *Markets and Hierarchies: Analysis and Antitrust Implications* (New York: Free Press, 1975).
23 Smith, *An Inquiry into the Nature and Causes of the Wealth of Nations*, 821.
24 Ibid. 821.
25 Ibid. 824.
26 Ibid. 829.
27 Ibid. 822.
28 Ibid. 823.
29 See Hugh Redwald Trevor-Roper, 'Introduction', in *The Decline and Fall of the Roman Empire*, ed. by Edward Gibbon (New York, NY: Alfred A. Knopf, 1993), xci.
30 Smith, *An Inquiry into the Nature and Causes of the Wealth of Nations*, 831–832.
31 Ibid. 821.
32 Ibid.
33 Rae, *Life of Adam Smith*, 278.
34 Smith, *Correspondence, Letter to Cullen*, 178.
35 Ibid. 178.
36 Smith, *An Inquiry into the Nature and Causes of the Wealth of Nations*, 123.
37 Adam Smith, *The Theory of Moral Sentiments* (New York: Penguin, 2010), 212.
38 Ibid. 68.
39 Ibid. 220.
40 Ibid. 169.
41 Quoted in: Henry E. Allison, *Kant's Groundwork for the Metaphysics of Morals: A Commentary* (London: Oxford University Press, Oxford, 2011), 75.
42 Smith, *An Inquiry into the Nature and Causes of the Wealth of Nations*, 824.
43 Victor Cousin, *Bericht des Herrn M. V. Cousin . . . über den Zustand des öffentlichen Unterrichts in einigen Ländern Deutschlands, und besonders in Preussen*, ed. by Johann Christoph Kröger (Altona, Allemagne: J.F. Hammerich, 1832), 174.
44 Benjamin Gould, 'An American University', *American Journal of Education and College Review*, II.N.A. Calkins (1856), 265–293, 283.

45 Smith, *The Correspondence of Adam Smith*, 173–179.
46 Ibid. 174.
47 Smith, *An Inquiry into the Nature and Causes of the Wealth of Nations*, 149.
48 Susanne Lohman, 'Darwinian Medicine for the University', in *Governing Academia*, ed. by Ronald G. Ehrenbergs (Ithaca: Cornell University Press, 2005).
49 For the argument that guilds helped to create an institutional environment conducive to technological innovation, see S.R. Epstein and Maarten Prak, *Guilds, Innovation and the European Economy, 1400–1800* (Cambridge, UK: Cambridge University Press, 2008).
50 Milton Friedman in Robert Lenzer and Stephen S. Johnson, 'Seeing Things as They Really Are', *Forbes* (March 10, 1997), 127.
51 Posner, *Overcoming Law*, 110.
52 For a comprehensive discussion of this literature, see Jason E. Lane, 'Agency Theory in Higher Education Organizations', in *The Organization of Higher Education: Managing Colleges for a New Era*, ed. by Michael N. Bastedos (Baltimore, MD: Johns Hopkins University Press, 2012). See also Andreas Ortmann, 'How to Survive in Postindustrial Environments: Adam Smith's Advice for Today's Colleges and Universities', *The Journal of Higher Education*, 68(5) (1997), 483–450.
53 Bruno Frey, 'Does Monitoring Increase Work Effort? The Rivalry with Trust and Loyalty', *Economic Inquiry*, 31 (1993), 663–670.
54 Michael Spence and Richard Zeckhauser, 'Insurance, Information, and Individual Action', *The American Economic Review*, 61(2) (American Economic Association 1971), 380–387.
55 Barry M. Staw, 'Motivation Research versus the Art of Faculty Management', in *College and University Organization: Insights from the Behavioral Sciences*, ed. James L. Bess (Las Vegas: Association for the Study of Higher Education, 1984), 78.
56 Gary Miller has argued precisely this point: that designing incentive systems that would solve agency problems in hierarchies without drawing on normative commitments is unlikely to succeed. Gary J. Miller and Robert William Smith, *Managerial Dilemmas: The Political Economy of Hierarchy* (Cambridge, UK: Cambridge University Press, 1993).

4 Humboldt's Design Revolution

Two Steps Forward, One Step Back

In this chapter, I want to recover parts of Humboldt's founding act that differ from the accepted founding myth and the well-established Humboldt orthodoxy.[1] In particular, I want to offer a reading of Humboldt as the creator of a kind of "anti-organization organization" designed to stave off the inevitable petrifying effects that must result from an effort to organize something as ephemeral as scientific creativity. To surface this strand of Humboldt's thinking, it is necessary to establish several key planks of his work in the years preceding his leadership of the university reform. In the founding myth, Humboldt is the fountainhead of the system of education that became the Prussian-German educational machinery. The founding myth not only wrongly equates what the German university became under leaders like Friedrich Althoff with the very different institution Humboldt wanted it to become; it also prevents us from fully seeing how radical and original Humboldt's design was. Humboldt was not only the advocate of the university's radical institutional autonomy, which never materialized in Germany, but also the originator of an anti-utilitarian institutional design that succeeds precisely because it picks up where Smith left off. In fact, Humboldt's genius can best be appreciated in contrast to Adam Smith. For Smith, the overriding sentiment vis-à-vis the professors was one of distrust. His chief design instruments—competition, choice, and tuition-dependence—were meant to check and discourage professorial opportunism.

Mobilizing the Love for Knowledge: Humboldt's Anti-Organization Organization

Humboldt (who, as we shall see, was as weary of invasive external control of the university as Smith and as aware of the gravitational pull towards pedestrian sloth) crucially differed from Smith in that he envisioned a positive counter-model to the humdrum of a bureaucratized university. As close collaborator of Goethe, Schiller, and leading German scholars and artists, Humboldt knew that, under certain circumstances, scholars could be trusted to be carried forward and kept on their toes by the self-generated enthusiasm of their work (as Ticknor witnessed in Göttingen). The key to

unleash the scholars' full potential was the creation of institutional conditions under which the intrinsic charm of scholarship and discovery had a chance to become the guiding and self-sustaining ethos of an institution. To get there, one had to harness, tame, and balance the main conflicting demands to which that institution was subject. Humboldt's chief architectural pillar becomes not competition and tuition-dependence, but what may be called "the three unities"—the integration of three conventionally conflicting but potentially self-enriching opposites of teaching *and* research; scientific discovery *and* moral formation ("*Bildung*"); and scholarly autonomy *and* scholarly community.

Finding a design that would integrate these conflicting imperatives was Humboldt's historic task. Where Smith only thought of curbing opportunism, Humboldt sought a design that would create conditions of enthusiasm, encouragement, and effervescent stimulation. When approached as a matter of rational design, Humboldt faced a daunting challenge, something close to squaring the circle. But in the years following Napoleon's victory at Jena, the social transformations taking place in Germany opened a window of opportunity, which allowed a man of Humboldt's genius to accomplish just that. A key ingredient of that genius was Humboldt's insight into the limits of self-interest. Where Smith famously saw self-interest as a benign passion from whose untrammeled working one could expect material wealth and cultural progress, Humboldt was far less sanguine:

> Everything that is intrinsically charming, solicits respect and love. That which, as a means, promises only utility [solicits] only interest. But humans are ennobled by respect and love as much as they are at risk to be dishonored by interest.[2]

This is Humboldt's lifelong credo. No less aware than Smith of the corrosive tendencies to which the university as organized bureaucratic institution was subject, he nevertheless did not limit his thinking to finding conditions that would curb the opportunism. He also sought to encourage and amplify the creative energies of the scholars. Small difference, enormous consequences.

Humboldt[3] was recruited to the helm of the education section of the newly created Prussian Ministry for the Interior on December 15, 1808, two years after Prussia's devastating defeat at Jena. His assignment was to direct a general overhaul of the Prussian education system. To this charge Humboldt brought the talents of scholar, humanist, and diplomat. As close friend of Goethe and Schiller, he had participated in their conversation. Like them, he deeply admired the Greeks and the culture they had spawned. As a man with political and administrative experience, he was able to move these ideas towards implementation and to deflect or coopt rival views. Humboldt retired from his post on June 14, 1810, after only 16 months in office. But during that brief period he created a legacy

of educational innovations that established the university on a new plan. As Thomas Howard put it, his reforms "reshaped the scholar's self-understanding, investing 'research' with a morally obligatory character, and situated the individual act of inquiry in an epic narrative of human striving and achievement."[4]

Yet, as mentioned, the institution that is associated with Humboldt's name was not a full realization of his goals. Some design elements Humboldt had deemed essential—in particular the university's financial independence from the state—did not find support with the king or were opposed by other leading architects of the new institution. Shortly after his resignation, a disaffected Humboldt wrote to his successor Nicolovius: "It hurts to see much good go under, which could have been but now won't ever be."[5]

In what follows I will discuss key points of Humboldt's institutional redesign, revolving around the integration of three opposites. To do that adequately, we first have to establish the philosophical beliefs that informed Humboldt's design revolution, which point to aspects of Humboldt's intentions that were never fully realized in Germany. But there are also certain limitations of Humboldt's founding act for which Humboldt himself bears some responsibility, which I consider at the end of the chapter.[6]

The Limits of State Action

Like Adam Smith, whose intellectual orientation was already well formed in his early twenties, Humboldt, too, developed many of the ideas that would guide him through a long intellectual career early in life. The first product of his early intellectual labors was his "Essay on the Limits of State Action," in which he echoes and elaborates many of the anti-state objections of the English and French enlightenment. Owing to tight censorship, the essay was published only partially in the early 1790s. But when published fully, it became an influential piece of political philosophy. John Stuart Mill cited it as the main influence for his "On Liberty." Nicholas Boyle regards the Limits . . ." as a founding document of the "quiet transformation of Germany" that followed the French upheaval of 1789.[7]

In the "Limits . . .," Humboldt established a conception of the state that was diametrically opposed to the spirit of Prussia's centralized bureaucracy. State action was legitimate only within very narrow limits, including finances and defense, but explicitly excluding education. Humboldt's leading mantra was the "individual's unfettered development," which would be blocked by a paternalistic-bureaucratic conception of the state. Among Humboldt's European influences, Mirabeau's thoughts on education and Ferguson's ideas on the civil society seem to be major and sometimes unacknowledged sources of insight. Still, the essay does not lack in originality. It distinctively combines a conception of education as moral development of the whole person ("*Bildung*")[8] with an idealized view of a morality-centered

Athenian culture and an Anglo-Saxon questioning of expansive national government:

> The ancients devoted their attention more exclusively to the harmonious development of the individual man, as man; the moderns are chiefly solicitous about his comfort, his prosperity, his productiveness. The former looked to virtue; the latter seek for happiness.[9]

Humboldt was a key member of the Weimar circle around Goethe and Schiller who wanted to see the rebirth of society take place in the spirit of the ancients, in particular classical Greece, not in the spirit of French and English modernity.[10] Steeped in the Greek ideals of public virtue, Humboldt had only benign contempt for a culture of comfortable well-being. "The true aim of man, prescribed to him, not by a changing inclination, but by eternally immutable reason, is the highest and most proportioned formation [*Bildung*] of his strengths into a whole."[11] This put German enlightenment in opposition to a "way of being and thinking (which) aims for unlimited property and an easy, happy way of enjoyment. . . ."[12]

Bildung is, first and foremost, a philosophy of character formation with strong affinities to the path to virtue laid out in Aristotle's *Nicomachean Ethics*. *Bildung* requires a self-transformation that differs from the mere refinement of manners emphasized by French authors and from the utilitarians' easy pleasures emphasized by Benthamites. The means to achieve that end was a minimal state whose main sphere of action was to safeguard the nation's inner and outer security.

One of the practical implications of Humboldt's view of the state was his rejection of the idea of "national education," which he believed to be "wholly beyond the limits within which the State's activity should properly be confined."[13]

> National Education—is harmful, especially in that it hinders variety of development; it is useless, since there will be no lack of good private education in a nation which enjoys due freedom; it effects too much, seeing that the solicitude for security does not necessitate an entire reformation of morals; it therefore lies beyond the sphere of political agency.[14]

In an interesting aside that brings him close to Smith, Humboldt pointed out that true teaching is improved if scholars' fortunes "depend on their own efforts:"

> Among men who are really free, every form of industry becomes more rapidly improved—all the arts flourish more gracefully—all the sciences extend their range. . . . Among such men emulation naturally arises; and tutors educate themselves better when their fortunes depend upon their own efforts, than when their chances of promotion rest on what they are led to expect from the State. . . ."[15]

It is hard to imagine a more radical rejection of Prussian authoritarianism both before and after its author penned these lines. Clearly, the author of the "Limits . . ." would not have jumped enthusiastically at the task of manning the command post from which the state was to direct a centralized educational bureaucracy, the very things Humboldt loathed. The historical situation in 1806—Germany's utter defeat and devastation in Jena, followed by an unprecedented opportunity for social renewal—might have led Humboldt to accept compromises in order to align himself with the great patriotic task of rebuilding Germany's institutions. But while it is true that the middle-aged Humboldt might have taken a more pragmatic view of the government's role than did the author as a young man, I'll suggest below that key principles of the "Limits . . ." are reflected in his institutional design.

The Influence of Schiller: Career Scholars ("*Brotgelehrte*") and *Wissenschaft*

Bureaucratic organization (in the form of an expansive government) not only stood opposite optimal conditions for the diffusion of *Bildung*. Another problem was that the university, as a large, formal organization, would become the employer of a large number of researchers, scientists, and scholars, turning scholarship from private calling into a line of employment. In the process it would inevitably become appealing to people who were attracted by the securities of the lifestyle. They might lack the talent and originality of the true scholar. The first to call attention to this problem was Goethe in one of his defining plays *Faust*, where he satirizes Wagner, a subaltern assistant to the scholar Faust. Goethe's play famously opens as Wagner visits Faust, finding the renowned scholar in a moment of existential doubt. Bogged down in science, life has passed him by. He sacrificed vitality and energy in favor of "smoke and mold, animal bones and skeletons."[16] When Wagner enters Faust's laboratory, Faust curses Wagner under his breath, calling him "*trockne(r) Schleicher*."[17] Derision towards the new figure of the "dry-as-dust" university scholar was widespread. In fact, Goethe might have first come across the "continual plodder" who derives "base authority from others' books" in Shakespeare, whom he admired and read closely.[18]

Following Goethe, his (and Humboldt's) friend Friedrich Schiller called attention to the problem when he introduced his famous distinction between the philosophical mind (*philosophischer Kopf*) and the career scholar (*Brotgelehrter*, literally 'bread-scholar') on occasion of his academic inauguration at the University in Jena.[19] For the career scholar, scholarship is just another way to eek out a living and to improve his material circumstances. Lacking the imagination of the philosophical mind, he spends all his time in the narrow tracks of his specialty and shuns everything that "pleases the mind for its own sake."[20] His sole concern is to

> parade accumulated treasures of memory and to prevent them from dropping in value. Every expansion of his *Brotwissenschaft* ["bread

science"] worries him because it sends new work his way or renders past work useless.[21]

While the career scholar builds fences and watches eagerly that nobody trespasses on his terrain, the philosophical mind tears them down.

The university was at risk of being dominated by career scholars, not least due to a narrow understanding of science as a pursuit of dissecting analysis and reason, while neglecting intuition and beauty. Schiller and Humboldt believed that the excesses of the French Revolution could be attributed to the revolutionaries' belief in the unlimited power of reason. Where the ancients strived for balance between reason and morality, the moderns seemed to be striving for a state in which reason crowds out all other sentiments.

Wissenschaft: The Unity of the Sciences in the Spirit of Philosophy

Schiller's rejection of the *Brotgelehrte* was part of a comprehensive philosophy of art, science, and moral character-building which he tried to articulate in a series of letters "on the aesthetic education of man."[22] Therein he warned that the modern turn of the sciences towards empiricism harbored the danger of fragmentation, in which comprehensive insight into the whole was replaced by investigating disjointed parts. To prevent that, he called for conducting research in the spirit of the unity of all sciences under the umbrella of the humanistic philosophy of *Wissenschaft*, as an holistically conceived and integrated way of research centered on philosophy as the means for unifying the disciplines.

Wissenschaft has an often neglected edge against French and English rationalism, which Schiller and Goethe saw as a synonym for unfettered specialization and fragmentation. Again Schiller: "the spirit of abstraction stifles the fire at which the heart should have warmed itself and the imagination been kindled. . . ." Rationalism enriches the mind by impoverishing the heart: "The dead letter takes the place of living understanding and a good memory is a safer guide than imagination and feeling."[23] In Schiller's view, the analytical mind does its work by dissecting the whole, but in doing so, it destroys what it seeks to understand. Schiller denies that the living whole can be salvaged from dead parts. Understanding requires *Anschauung*, a contemplative intuiting, as well as rational cognition.

A strong push in favor of disinterested *Wissenschaft* came when the 60-year-old Immanuel Kant published his *Streit der Fakultaeten* in 1798. Emboldened by his reputation as one of Europe's foremost thinkers, Kant argued for an overthrow of the established academic rank-order which placed theology first and philosophy (which then comprised all human sciences) last. In the medieval university it had been the function of philosophy to act as "handmaid" for the other three faculties: theology, law, and medicine. Philosophy was seen as a preparatory curriculum for the study

of theology. Kant argued for a reversal of that order. Philosophy ought to control the other three faculties (all oriented to training for the professions) and thus "be useful to them, since truth (the essential and first condition of learning in general) is the main thing, whereas the utility the higher faculties promise the government is of secondary importance."[24]

The Schiller-Goethe-Humboldt Cooperation

Reflecting on these ideas of two of Humboldt's contemporaries is justified not only because of their subsequent stature and influence over the arts and sciences in Germany, but also because they provide context and explain the direction of Humboldt's subsequent development. The years immediately following the revolution in Paris were the years of a singular effervescence of ideas in Germany. Those years saw the emergence of Schiller's above cited Jena lecture (1789), his "Letters on the Aesthetic Education of Man" (1795), Goethe's *Faust* (the first version being printed in 1790), and Humboldt's "Limits . . . ," on which he worked between 1792 and 1794. From 1794–97, Humboldt took up residence in Jena with the express purpose of being near Schiller. "I had, in order to be near Schiller, taken up residence in Jena, arriving there a few weeks before him. We saw one another twice daily, especially evenings alone, and for the most part late into the night."[25] The association with Goethe was also flourishing at this time.

The Weimar-Jena circle of Goethe, Schiller, and Humboldt (and many other loosely affiliated leading writers and scholars) was a singularly influential nucleus of artistic and intellectual creativity which transformed Humboldt's thinking. We get a glimpse of their collaboration in Schiller's comment that "[i]n conversation with [Humboldt] all my thoughts develop better and faster."[26] Likewise, Humboldt and Goethe are connected by intense collaboration and conversation that was maintained by means of a 40-year-long correspondence and their cooperation in loosely knit study circles. For example, after a meeting of Goethe's "friends of learning" circle in October 1794 (a reading group at which Goethe declaimed a book of the *Iliad*)[27] Goethe writes to Schiller: "Humboldt arrived to join an aesthetic-critical session; I do not know how it entertained him." And Schiller replies to Goethe:

> Humboldt . . . is still full of the impression which your method of reading Homer has made upon him; and he has excited in us all such a desire for it, that when you come again for a few days, we shall not rest until you hold such a session with us.[28]

The three share drafts of new essays or publications. For example, Goethe asks Schiller and Humboldt to read over a draft manuscript of his novel *Wilhelm Meister* and suggest corrections. Theirs was the kind of improbable intense intellectual cooperation of similarly tuned, deeply original minds

that happens infrequently, but when it does, becomes the departure point for far-reaching changes. (An American analogy for this type of pioneering intellectual collaboration is, of course, masterfully portrayed in Louis Menand's *Metaphysical Club*, about the similarly intense and mutually enriching collaboration between James, Peirce, Dewey, and Holmes, whom he calls "the first modern thinkers in the United States.")[29]

The Three Unities: Cornerstone of Humboldt's Design

Between the radical anti-state sentiments Humboldt expressed in the "Limits . . . ," Schiller's impassioned invocations against narrow specialization and "cold reason" in his "Letters" and his "Inaugural Lecture," and Goethe's send-up of the "continuous plodder" in *Faust*, there would seem to be not much room left for a positive view of the university as a place of creative learning and scholarship. To the authors of these tracts, serious attempts to make creative discovery and learning the business of a formal, "iron-cage" institution (to borrow a phrase), should have appeared utterly improbable, if not futile and self-defeating. And yet, here was Humboldt, only ten years after working out these ideas with Goethe and Schiller—thrust into the center of Prussia's institutional renewal and charged with rebuilding its education system. What happens next would seem one of the most creative organizational founding acts ever. After studying the German educational scene (Humboldt undertakes an arduous journey visiting universities in Halle, Koenigsberg, and elsewhere), he seems to feel his way into a conception of the university that might allow for the creation of a self-sustaining institution that would have a chance to stave off the dangers of bureaucratic ossification, narrow specialization, and mandarin careerism. After all, Kant in Koenigsberg, Woff in Halle, Heyne and Lichtenberg in Göttingen—to name a few—were university professors who had pulled off the improbable. They were fountainheads of creative scholarship who were also serious university teachers and moral educators. Judging by the results, Humboldt seems to have convinced himself that the key to an institution that had a chance to stave off the corrosive effects of bureaucracy and specialization was to organize around the integration of three pairs of opposites:

–the unity of teaching *and* research; (1)
–the unity of moral education (*Bildung*) *and* philosophically oriented discovery; (2)
–the unity of autonomy *and* community. (3)
This is Humboldt's design program.

(1) Unity of Teaching and Research

In the traditional retelling of Humboldt's founding act, the "*Einheit von Forschung und Lehre*" (normally translated as "integration of research and

teaching" or "unity of research and teaching") rightfully occupies a central place. His fusing of these two heretofore separate scholarly activities was one of the boldest and most innovative of his design decisions. Humboldt actually does not use the term "unity of teaching and research." But his 1810 memorandum, "*Ueber die innere und auessere Organisation der hoeheren wissenschaftlichen Anstalten in Berlin*," speaks frequently of the symbiotic relation of the two. The "free presentation before an audience . . . stimulates those who are familiar with it as much as the lonely musing of the writer."[30] He thus laid the foundation for uniting in one institution what had, until then, been the separate pursuits of separate institutions—the old medieval university and the scientific academies. Few people would have thought of their mission as similar or even compatible. Teaching tended to be the task of scholars, many of whom resembled the despised *Brotgelehrte*. And research was almost exclusively the work of gentleman-scholars who—favored by fortune both materially and intellectually—pursued research following only their private intuitions. The preponderance of the great scientists of the age were private scholars in this sense (Leibniz, Montaigne, Newton, Smith, Hume, Descartes, Rousseau, Diderot, Montesquieu, Gibbon, Bacon, Hobbes). So were many in Humboldt's immediate circle of friends, including Goethe, who had made a name for himself as the author of the anti-Newtonian *Farbenlehre*, Schiller, who had written influential historical studies, and Wilhelm's brother Alexander von Humboldt, whose research expeditions had begun to bring him a decent amount of attention and fame. There was, not least, Humboldt himself who had written influential linguistic and anthropological studies. In fact, one might argue that even at the time of Humboldt's founding of the university at Berlin, the tradition of gentleman-scholar had not reached its apex. The work of Faraday, Watt, Darwin, Guizot, Comte, Tocqueville, and Marx—all of them gentleman-scholars—was still to come and revolutionize the European scientific landscape.

Most, if not all of these scholars would have balked at the thought of working as academic teachers, instructing young students in the basics of their respective fields. Most of them were not interested in teaching, lacking not only time and inclination, but as amateur scholars themselves, sometimes also the systematic foundations. To unite these two very different pursuits of teaching and research, which had been engaged by men of very different social standing and intellectual bent, was thus unprecedented. It was Humboldt's most controversial and, admittedly, most difficult decision. Schleiermacher, for one, opposed the integration. Although a leader at the university at Berlin and Humboldt's closest adviser, he, like other scholar-scientists, believed that research already had an institutional home—the academies. Some of them, e.g., the royal academies at London and Paris, had risen to considerable fame. Isaac Newton was a star scholar of the London academy. In Germany, Göttingen and Berlin had academies, the latter supported by Frederick I. Many of the scholars who had worked in and with these academies balked at being united with the university.

But Humboldt was far from mechanically forcing together what had so long been organized in separate institutions. Uniting teaching and research only made sense if both were reconceived and brought together on a new level and in a new understanding. What compelled this new understanding was Humboldt's sense of *Wissenschaft* as inherently open-ended. To communicate something that was essentially never finished required a fluid relation between the doing of science and its teaching, as *Wissenschaft* refers to something "not yet fully discovered and never entirely discoverable." Universities had to treat *Wissenschaft* "always as a not yet fully solved problem,"[31] compelling them to always remain in research mode.

The thrust of his effort was to expel dogmatism from teaching, dilettantism from research, and to ensure the continuity of both pursuits through educating future university teachers and researchers. (We may note in passing that a happy by-product of this step was to bring Smith's monitoring problem a good deal closer to a solution.) Humboldt's integration of teaching and research required the elevation of teaching from uninspired dictation to a form of critical scholarship. This dovetailed with the transformation of research from an activity of individual gentleman-scholars into the obligation of every university professor. The creation of new knowledge became the medium through which the university would teach and educate.

Two pioneers of this new understanding were F.A. Wolf and Fichte. *Wissenschaft* could only be 'taught' by someone who was *doing* it. Teaching thus became a phase in the production of knowledge. Also, Humboldt believed that a scholar could not present the state of his field "without constructing it anew in his mind" every time he teaches it.[32] Nor was teaching so demanding or strenuous that it would interrupt or interfere with research, rather than stimulate it.[33] As a result, the lecture (*Vorlesung*), in the sense of an organized, systematic exposition of the state of knowledge, became the central vehicle of teaching. One of its most enthusiastic practitioners and proponents had been Schelling. For him the lecture was the center of the scholar's activity:

> Whoever lives in his science only as in another's property, without personally owning it, without having acquired a sure and vital organ for it, without being able to generate it at any moment anew out of himself, lacks the requisite dignity . . . [for the job].[34]

Fichte had similarly rigorous expectations. To him the scholar should resemble a monastic, a secular ascetic with a single-minded dedication, working in "mankind's most sacred institution."[35] To do his work well, the lecturer needed a minimum of charismatic abilities. He had to be fully and completely dedicated to *Wissenschaft*, conceiving of his knowledge "ever new"[36]—a precept much in line with Socrates's view of knowledge as an ephemeral good that could never be securely possessed. The scholar needed talents of rhetoric and exposition, which were to be demonstrated in a sample lecture ("*Probevorlesung*").[37]

The Germans' re-conception of scholarship in the context of the university left little room for professors to "live at their ease," as Smith had feared and observed. Being placed into an institutional context where they were expected to lecture regularly would surely keep them on their toes. A further spur in the side of the potentially slothful professor was the new relationship between professor and student. Where students had been utterly subservient to their professor-masters in the medieval university, they were now elevated to the role of junior scholar. Just as Socrates had no 'students' because all of his interlocutors were participants in a joint inquiry, Humboldt insisted that the student was no longer there for the professor, nor the professor for the student, but "both are there for science."[38]

Fichte even proposed that students and faculty should be sequestered on campus to remove all extraneous distraction. Students should even receive pocket money from the university. The journal created by Fichte to publish research results was to be open for students, too, whose best work could be published there.[39] To facilitate the students' active intellectual role as junior scholars, Humboldt also declared that there would be *no fixed curriculum*—another parallel to Smith.[40] But where Smith resented required courses for their potential to curtail students' choice and open sinecures to professors, Humboldt opposed a fixed curriculum and required classes because they would condemn professors to an unbecoming routine and prevent them from using their teaching to advance scholarship—both their own and that of the students. Along with his freedom of research, the professor needed the freedom to teach whatever he chose.[41] However, this kind of *Wissenschafts*-based academic practice was likely to work only for well-prepared students. That's why Humboldt's university reform required a reform of the preparatory Gymnasium that would raise the caliber of university freshmen. And even then, the rigors of university study would only appeal to the most talented and motivated. Students had to be capable of assuming their role in the Socratic dialogue.[42] As to the rest of the students? In Schelling's cutting no-nonsense formula: they had to learn "to respect [the high standards] or fear them."[43]

(2) Bildung und Wissenschaft: *Science as Medium of Moral Education*

By insisting on the integration or non-separation of teaching and research, Humboldt defined what he liked to call the "outer" or "external" organization of the university, a key element of its structure. But that outer organization needed a corresponding "inner organization," a set of beliefs and values to remain vital and viable. The key plank of that inner organization is described by the second pair of opposites—that of *Bildung* and *Wissenschaft*, both of which Humboldt invests, in Thomas Howard's above quoted characterization, "with a morally obligatory character," situating them "in an epic narrative of human striving and achievement."[44] That morally obligatory character must be maintained for the community of teachers and

students to become and remain a moral community. To that end, *Wissenschaft* must be a medium of moral character-building, which in turn must provide a compass for *Wissenschaft*. The key for maintaining *Wissenschaft* as a medium of moral formation was to conduct it in the spirit of philosophical inquiry ("*Spekulation*").

That was a high and demanding standard which was not shared outside of Germany, and not even by all of Humboldt's collaborators. In his 1814 essay on the "Conditions under which Science and Art Flourish," Humboldt says that in "other nations" (presumably most notably France and England), the sciences are limited to "collecting and surveying the facts." They are "kept close to [the realm of] application." "Speculation is rejected as dangerous to the empirical mission and intrinsically hollow." This, he says, "is the basis of the never wholly reconciled conflict between Germany and the other nations; it is also a source of conflict among ourselves." But Humboldt insists that "only by means of [speculation] can there be one all individual sciences encompassing science, a science in and of itself."[45]

It is therefore the chief task and essential character of universities "to create an inner and self-directed connection of objective science with subjective *Bildung*, or rather to effect the transition from one to the other."[46] "Only the science that comes from within and that can be planted within [a person's inner being] is capable of transforming character. And neither state nor mankind care about knowledge and talk, but about character and action."[47] Recall here that Humboldt defined *Bildung*, not the accumulation of scientific knowledge per se, as the true purpose of man.

Wissenschaft as a basis for the unity of scholars and as a medium of character development—that was Humboldt's demanding challenge to the university. The organizational conditions to facilitate that had to grant enormous freedom to the individual scholar, as well as a stimulating community of communication.

(3) "*Einsam und Frei*"—Autonomy in Community

What now of the position of the individual professor within the university? How should he be situated vis-à-vis his research on the one hand, and his colleagues (senior and junior) on the other? Again, Humboldt arrives at a striking solution to what has traditionally been seen as a conflict. Again he commits the university to integrate the two poles of the conflict by affording the professor both "*Einsamkeit und Freiheit*," literally translated as "solitude and freedom," which he defines as the university's predominant principles ("*die in ihrem Kreise vorwaltenden Principien*").[48] However, "*einsam und frei*" is a bit of a misnomer. What he clearly means is the conjunction of independence on one hand and community on the other. Freedom and solitude are the two points

> on which the whole external organization of the university pivots. Lectures are only secondary. The main thing is to spend a number of years

> in close community with likeminded peers of a similar age in the awareness that there are already a number of completely educated ["*Gebildete*"] who are entirely dedicated to the development and diffusion of *Wissenschaft*.[49]

The conjunction of autonomy and community is necessary because, as he puts it in his 1810 memorandum,

> humans' intellectual strivings succeed only in cooperation, and not only so that one person makes up for what the other lacks, but also so that the successful activity of one excites and stimulates the other. In this way the general and original energy, which surfaces only singularly or indirectly in the individual, becomes visible to all. Therefore, the inner organization of these institutions [universities] must generate and maintain a continuous, self-generating, uncoerced and unintentional cooperation.[50]

The university must be organized so that it produces a conversational structure that is *continuous, self-sustaining, informal, and unintentional*. Humboldt clearly echoes here an idea that he had already expressed ten years earlier in "Limits . . .": "The formative [*bildende*] use of such associations is essentially based on the degree to which the independence of the associated is maintained along with their most intimate connection."[51]

What I call here the "three unities" are Humboldt's awesomely modern "anti-organizational organizational design" for the university. Even 200 years later it stands out as a masterpiece of organizational design. Prior to Humboldt, thinking about the order of the university had been largely negative and coercive. Professors had been the target not only of the whip of Smith's tuition-dependence, but also of spies sent into classrooms to check if they, indeed, lectured; of immense reporting requirements about their lectures; and of invasive decrees forbidding, e.g., the use of dictation and requiring the use of compendia (textbooks) as the basis for lectures.[52] But where Humboldt's predecessors sought to regulate professors either by means of stiffening the discipline of markets or the discipline of hierarchies, Humboldt's design attempts to mobilize a very different sort of discipline. His is the discipline of the love of knowledge and the intrinsic charm of discovery, all embedded in the stimulating atmosphere of a community of scholars who pursue their various researches in the spirit of the unity of all knowledge expressed by philosophy.

Two Steps Forward, One Step Back

Maintaining the unity of these three pairs of conflicting imperatives makes steep demands on the university's institutional independence. While there was a large degree of agreement on many issues of the reform, there were two important elements where Humboldt differed from the view of

important allies. The first one concerned the relationship between academy and university, mentioned above, where he persevered. The second was the relationship between university and state, where he lost.

The revolutionary changes which the university underwent in pursuit of Humboldt's reform not only required changes to its internal structure and culture, but also to the way it was embedded in its larger institutional environment. Prior to Humboldt, the university was sponsored either by church or state, involving oversight from the bishops or ministers. Humboldt had written at length about the detrimental effect of the state-as-educator. He and some of his colleagues also had seen the harmful effects of state control over the universities. Humboldt stuck to his views even after becoming head of Prussia's education agency. The university, Humboldt posited, did not need the state. "[T]he state must always stay aware . . . that it is an obstacle as soon as it intervenes."[53]

Humboldt's stance was consistent with many of his contemporaries who had written on the subject. Kant believed that rulers look at their subjects always in an instrumental manner. In a monarchy, in particular, there would inevitably be constraints on freedom of speech. Schleiermacher, likewise, came out strongly against any state involvement:

> Schools and universities suffer from the state viewing them as institutions in which the sciences are pursued not for their but the state's sake; that he [the state] misunderstands and hinders the sciences' natural striving to mold themselves according to their own laws. [. . .] The louder the speculation, the more the state tries to limit it and use all its influence to support only the useful knowledge.[54]

The state's interest in properly trained officials (civil servants) did not justify government control over the university. Schleiermacher was particularly vocal about the danger of a university subservient to power. "The more the scholars are involved with the state . . ., the more they will obey the state's interventions." Under such circumstances, the university degenerates into a "mere institute for the use of the state."[55]

How strongly Humboldt believed in the need for independence is best illustrated by his efforts to provide the new university in Berlin with financial independence in the form of a land-grant from the government. In a letter to the king, Humboldt proclaims that he would like to "gradually . . . get to a point where the entire school and education system will no longer burden your Majesty's finances, but are instead capable to support themselves by their own property and the nation's contributions." Moreover: "[t]he nation takes greater interest in its schools if they are financially her work and property."[56] As a selling point, he also tried to portray this as a measure of financial prudence: "Education and instruction, which are necessary in stormy and quiet times, will be independent of the change which befalls the state's finances through political and accidental circumstances."[57]

But, after initially signaling some openness to the idea of a university that would be financially independent, the king decided not to cross that line. William III no doubt feared the independence of universities for political reasons. But he could also cite a number of influential thinkers to support him against Humboldt's plans who, like Fichte, Hegel, and Steffens, thought of the state as a natural ally of the university. Steffens, for example, praised *Wissenschaft* as the highest form of the state's self-consciousness.[58] For him the idea that "the higher [of the university, HDM] aspirations are in conflict with the needs of the State" was a "crazed delusion."[59] Fichte, too, wanted the university to be "an institute of the state." In his "Lectures to the German Nation," he called for a renewal of Germany by way of a renewal of its cultural and educational institutions. In this effort the state was the nation's most forceful weapon. Fichte's stance was reinforced by Hegel, who succeeded Fichte to his chair at Berlin University. For Hegel, "the force of the state is in its reason."[60] This reason is represented by its senior civil servants. Government "rests on the world of the civil servants"[61] and does so better the more rational their selection. The controlling mechanism would be university exams. (Of course, Hegel himself was one of the chief examiners.)

The State's Role in the Selection of Professors

With all his principled opposition to the state's involvement in the affairs of the university, Humboldt found *one* non-negotiable purpose for the state's involvement in the university: the recruitment of new professors. This was a responsibility where he explicitly rejected university autonomy. To what extent that concession was motivated by the fact that he, Humboldt, was the responsible official making the selection is hard to say, although it must have eased his mind knowing that for a critical period he was wielding this power. Universities, Humboldt lamented, easily fell prey to a forever quarrelsome faculty, something especially virulent in the selection of new professors:

> You have no idea what problems I have to wrestle with, especially with the scholars—the unruliest and most difficult to pacify of all peoples. They besiege me with their eternally self-thwarting interests, their jealousy, their envy, their passion to govern, their one-sided opinions, in which each believes that his discipline alone has earned support and encouragement.[62]

As Muenchhausen before him, Humboldt looked to the state to establish a balance between the factional interests of professors. His sentiments regarding the key issue of selecting professors by ministerial authority are well expressed in Victor Cousin's admiring portrait of Prussian educational practice:

> Let us imagine the most well-meaning minister who must give orders to faculties, e.g. choose a professor, or to decide regarding things and

> personnel. Whom should he turn to? To the faculty itself? That would mean to undermine any progress, to create immobile corporate bodies which are always judges in their own affairs. It would mean to nurture the spirit of caste which is so disadvantageous to science. . . . Should he turn to an eminent individual? But if he is free of responsibility, he is likely to follow his own peculiar preferences, prejudices, or talent. Eventually, the minister will be run over by pleading, and pledging from all sides. A thousand secret mechanisms will be set in motion with the minister: recommendations from above, intrigues from below—he will always be surrounded and pushed around by external influences without responsibility.[63]

Therefore: "Selecting university professors must remain an exclusive function of the state. It is certainly not good to grant the faculties greater influence in this matter than an agreeable curate will do voluntarily."[64]

Resignation and Reaction

Humboldt's university reform came under pressure almost as soon as Humboldt left office. In the fight against French occupation, the nation had been politically mobilized and universities had become one of the arenas of open debate. For an increasingly timid monarch, the university looked like a source of political anarchy. In a memorandum of February 15, 1821, senior civil servants made a direct connection between the "moral decay" among the youth and Humboldt's reforms: "any impartial observer . . . will have noticed with concern and horror the increasing moral decay which has become increasingly general as a result of the [university] reforms of 1809."[65] Outside Prussia, coffee houses and newspapers provided the reasoning public with a fairly free zone of public debate. But within Prussia, only the universities were places for debate. But even here the freedom to teach could be challenged at any moment. When it pleased him, the king did not even abstain from direct intervention. In the case of professors who had expressed liberal ideas, the king was not above intervening personally against the offending scholar. The reality was police searches of homes, seizure of books and manuscripts, forced appearances in front of military commissions, etc. To Germany's youth, the Berlin of the decades following Humboldt's founding presented a bizarre mix of freedom and oppression. However advanced an institution of higher learning, it was embedded in a civic culture that was stifling and oppressive, something that did not change during Prussia's long march to German dominance.

Humboldt's Limits

Humboldt's design—ingenious and path-breaking as it was—came to life with three architectural defects:

(1) It left the university's self-government hamstrung by placing the crucial function of selecting professors in the hands of the state. It did so for the very good reason that having the professors decide on who would join their ranks easily led to factional divisiveness or to the hiring of inferior, unthreatening candidates. Humboldt knew and had experienced this in his dealing with the Berlin Academy. Placing ultimate authority in the hands of the external agency of an overseeing minister seemed the best insurance against the professors' troubling infighting or their proclivity to prefer inferior candidates—except that it left the university dependent on government in a crucial function of its self-renewal—and dependent, at that, on an agency that might have its own agenda in preferring one candidate over another.[66]
(2) It weakened the university's anchoring in society by taking a staunchly anti-utilitarian view of research, insisting on the purity of *Wissenschaft* as a crucial prerequisite for the university's independence. Schelling famously scoffed at the university dealing in utility. It should not compromise its sacred mission (of inventing new systems of ideas) by lowering itself into the netherworlds of mechanical inventions. (In practice, the anti-utilitarian stance could, of course, not be maintained. The university needs takers for its graduates, and funders for its research. A chief employer of the German university's graduates was the government, many of whose senior bureaucrats would be university educated and form a key pillar of the "*Kulturstaat*" coalition of mandarin professors and civil servants.)
(3) It made the university financially dependent on government.

While Humboldt bears some responsibility for the first two limitations (although Forster argues that his anti-utilitarian stance was less dogmatic than that of, say, Schelling or Fichte),[67] the third one—the financial dependence of the university on the state—was something that he worked hard to avoid, famously asking the king to set up an endowment out of which the university could fund its operations. The king refused and the idea never came up again.

Notes

1 Recent discussions of the Humboldt orthodoxy are Mitchell G. Ash, 'Bachelor of What, Master of Whom? The Humboldt Myth and Historical Transformations of Higher Education in German-Speaking Europe and the US1', *European Journal of Education*, 41 (2006), 245–267; Heinz-Elmar Tenorth, 'Humboldt wird Missbraucht', *Der Spiegel*, January 12, 2009; Tenorth, 'Was heisst Bildung in der Universitaet?', *Die Hochschhule*, 1 (2010), 119–134; Michael N. Forster, 'Humboldts Bildungsideal und sein Modell der Universität', in *Die Bildung der Moderne*, ed. by Michael Dreyer (Tübingen, Germany: Narr Francke Attempto, 2013).
2 Wilhelm Humboldt, *The Limits of State Action* (Indianapolis, IN: Liberty Fund, 1993), 23. The German phrasing is instructive: "*Denn alles, was in sich selbst reizend ist, erweckt Achtung und Liebe, was nur als Mittel Nutzen verspricht,*

bloss Interesse; und nun wird der Mensch durch Achtung und Liebe ebensosehr geadelt, als er durch Interesse in Gefahr ist, entehrt zu werden."

3 I invoke "Humboldt" here as shorthand for what more correctly should be called the collective author of "Humboldt-Schiller-Kant-Schleiermacher-Schelling-Wolf-Fichte-et al." as a more apt moniker for the results of the collective conversation in which he played a leading role. Humboldt's ideas had not sprung full-cloth from his solitary reflections. When he took the helm of the interior ministry's section on education, he had conversed with and could draw on a large number of essays and memoranda on the university written by Schiller, Fichte, Kant, Schelling, and Schleiermacher. This was the single greatest outpouring of intellectual energy dedicated to the question of how to design the university—until a similarly powerful cluster of American authors and university leaders around Eliot, Gilman, White, Burgess, et al. followed in their footsteps some 60 years later. For a handy collection of the essential texts, see Johann Jacob Engel, *Gelegentliche Gedanken über Universitäten*, ed. by Ernst Müller (Leipzig: Reclam, 1990), which contains memoranda by Engel, Erhard, Wolf, Fichte, Schleiermacher, Savigny, Humboldt, and Hegel.

4 Thomas Albert Howard, *Protestant Theology and the Making of the Modern German University* (Oxford: Oxford University Press, 2006), 140.

5 Wilhelm von Humboldt and Georg Heinrich Ludwig Nicolovius, *Briefe von Wilhelm von Humboldt an Georg Heinrich Ludwig Nicolovius* (Berlin: Emil Felber 1894), 20.

6 Key classical sources on Humboldt scholarship are Helmut Schelsky, *Einsamkeit und Freiheit* (Düsseldorf, Germany: Bertelsmann, 1970), Dietrich Benner, *Wilhelm von Humboldts Bildungstheorie: eine Problemgeschichtliche Studie zum Begründungszusammenhang Neuzeitlicher Bildungsreform* (Landsberg: Juventa, 1990), Clemens Menze, *Die Bildungsreform Wilhelm von Humboldts* (Buhl Baden: Schroedel, 1975), Eduard Spranger, *Wilhelm von Humboldt und die Humanitätsidee* (Berlin: Reuther und Reichard, 1909), and Eduard Spranger, *Wilhelm von Humboldt: und die Reform des Bildungswesens* (Tübingen, Germany: M. Niemeyer, 1960).

7 Nicholas Boyle, *Goethe: Revolution and Renunciation, 1790–1803* (Oxford, UK: Oxford University Press, 2003), 27.

8 The classical English-language study of "*Bildung*" is W.H. Bruford's, *The German Tradition of Self-Cultivation: 'Bildung' from Humboldt to Thomas Mann* (Cambridge and New York: Cambridge University Press, 1975).

9 Humboldt, *The Limits of State Action*, 7.

10 On the influence of Greek thought and culture, see: Eliza M. Butler, *The Tyranny of Greece over Germany* (Boston: Beacon Press, 1935).

11 Humboldt, *The Limits of State Action*, 10.

12 Ibid.19.

13 Ibid. 52.

14 Ibid. xi.

15 Ibid. 50–51.

16 Johann Wolfgang von Goethe, *Faust*, trans. by Walter Kaufman (New York: Anchor 1962), 20.

17 Translators have rendered Goethe's "*trockner Schleicher*" variously as 'soulless sneak' (Bayard Taylor), "dry prowler" (George M. Priest), or "dried-up sneak" (Charles T. Brooks). Although less literal, Shakespeare's "continuous plodder" seems to me preferable to these renderings.

18 Goethe might have been inspired by his close reading of Shakespeare. In *Love's Labor Lost*, Shakespeare satirizes a "continuous plodder" in a way that foreshadows Goethe's similar derision of Wagner in *Faust*. Shakespeare:

> Study is like the heaven's glorious sun,
> That will not be deep-search'd with saucy looks;

Small have continual plodders ever won,
Save base authority from others' books.
These earthly godfathers of heaven's lights
That give a name to every fixèd star
Have no more profit of their shining nights,
Than those that walk and wot not what they are.
Too much to know, is to know nought but fame;
And every godfather can give a name.
In Shakespeare, *Love's Labor's Lost*
(New York, NY: Simon and Schuster, 2011).

19 Friedrich Schiller, 'What Is Universal History, and to What End Does One Study It?', in *German Essays on History: Hegel, Ranke, Spengler, and Others*, ed. by Rolf Sältzer (New York: Bloomsbury Academic, 1991), 24.
20 Ibid. 26.
21 "*Beklagenswerter Mensch, der mit dem edelsten aller Werkzeuge, mit Wissenschaft und Kunst, nichts Höheres will und ausrichtet, als der Taglöhner mit dem schlechtesten! der im Reiche der vollkommensten Freiheit eine Sklavenseele mit sich herumträgt! . . . zusammengehäuften Gedächtnisschätze zur Schau zu tragen, und ja zu verhüten, daß sie in ihrem Werte nicht sinken. Jede Erweiterung seiner Brotwissenschaft beunruhigt ihn, weil sie ihm neue Arbeit zusendet, oder die vergangene unnütz macht; jede wichtige Neuerung schreckt ihn auf, denn sie zerbricht die alte Schulform, die er sich so mühsam zu eigen machte, sie setzt ihn in Gefahr, die ganze Arbeit seines vorigen Lebens zu verlieren.*"
22 Friedrich Schiller, *On the Aesthetic Education of Man, in a Series of Letters [by] Friedrich Schiller: Edited and Translated [from the German] with an Introduction, Commentary and Glossary of Terms by Elizabeth M. Wilkinson and L.A. Willoughby* (Oxford, UK: Clarendon Press, 1967).
23 Ibid. 35.
24 Immanuel Kant, *The Conflict of the Faculties* (Lincoln: University of Nebraska Press, 1979), 44–5.
25 Wilhelm von Humboldt, 'On Schiller and the Course of His Spiritual Development', in *Friedrich Schiller Poet of Freedom* Volume II, ed. by Helga Zepp-LaRouche (Washington, DC: Schiller Institute, 1995), 527.
26 Schiller an Koerner, 18. Mai 1794, quoted in Thomas Brunner, *Zur Aktualitaet Des Bildungsideals Wilhelm von Humboldts* (Berlin: Immanente, 2012), 27.
27 Boyle, *Goethe: Revolution and Renunciation, 1790–1803*, 264.
28 In: Herrmann Klencke and Gustav Schlesien, Klencke, *Lives of the Brothers Humboldt, Alexander and Wilhelm* (New York: Harper & Brothers, 1854).
29 Louis Menand, *The Metaphysical Club, a Story of Ideas in America* (New York: Farrar, Strauss and Giroux, 2001), xi.
30 See Wilhelm Freiherr von Humboldt, 'Über die Innere und Äussere Organisation der Höheren Wissenschaftlichen Anstalten in Berlin', in *Schriften zur Anthropologie und Bildungslehre*, ed. by Andreas Flintner (Berlin: Küpper, 1964), 87.
31 Ibid. 84.
32 Ibid. 87.
33 Ibid.
34 Schelling, Friedrich Wilhelm Joseph von, *On University Studies* (Ohio University Press, 1966), 26–27.
35 Quoted in: René Koenig, *Vom Wesen der deutschen Universität* (Opladen: Leske&Buderich, 2000), 119.
36 Ibid. 106.
37 Ibid. 107.
38 Humboldt, *Schriften zur Anthropologie und Bildungslehre*, 82.
39 Koenig, *Vom Wesen der deutschen Universität*, 102.
40 Ibid. 188.

41 Ibid. 103.
42 Ibid. 109.
43 Schelling, *On University Studies*, 117.
44 Howard, *Protestant Theology and the Making of the Modern German University*, 140.
45 Humboldt, *Schriften zur Anthropologie und Bildungslehre*, 95.
46 Ibid. 82.
47 Ibid. 84.
48 Ibid. 82.
49 Ibid. 79.
50 Ibid. 82.
51 Humboldt, *The Limits of State Action*, 11 (my translation).“*Der bildende Nutzen solcher Verbindungen beruht im Grunde immer auf dem Grade, in welchem sich die Selbtstaendigkeit der Verbundenen zugleich mit der Innigkeit der Verbindung erhaelt.*”
52 See William Clark’s vivid description of the imaginative methods of controlling professorial performance in *Academic Charisma and the Origins of the Research University* (Chicago, IL: University of Chicago Press, 2008), 44–53 and 82–88.
53 Humboldt, *Schriften zur Anthropologie und Bildungslehre*, 83.
54 Friedrich Schleiermacher, *Erziehungslehre*, ed. by C. Platz (Berlin: G. Reimer, 1849), 551.
55 in: König, *Vom Wesen der deutschen Universität*, 221.
56 Ibid. 198.
57 Ibid. 200.
58 Ibid. xii.
59 Ibid. 229.
60 Cited in: Leo Strauss and Joseph Cropsey, *History of Political Philosophy* (University of Chicago Press, 2012), 748.
61 Ibid.
62 Wilhelm Freiherr von Humboldt and Caroline von Humboldt, *Wilhelm und Caroline von Humboldt in Ihren Briefen* (Berlin: E.S. Mittler und Sohn, 1909), 399 (my translation).
63 Victor Cousin, *Bericht über den Zustand des öffentlichen Unterrichts in einigen Ländern Deutschlands und besonders in Preußen* (Altona: J.F. Hammerich, 1832), 11. (my translation).
64 Humboldt, *Schriften zur Anthropologie und Bildungslehre*, 88.
65 Menze, *Die Bildungsreform Wilhelm von Humboldts*, 371.
66 On the contested nature of the power to appoint professors, see William Clark, *Academic Charisma and the Origins of the Research University* (Chicago, IL: University of Chicago Press, 2006), 239–297.
67 Michael N. Forster, ‘Humboldts Bildungsideal und sein Modell der Universitaet’, in *Die Bildung der Moderne*, ed. by Michael Dreyer (Tübingen, Germany, 2013).

Part II

Institutional Learning

Events, Actors, and Beliefs


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5 The Migration of an Institution

From Boston to Berlin and Back

Writing in 1968, Christopher Jencks and David Riesman said in a study of American higher education: "The American graduate school has become the envy of the world, a mecca for foreign students and a model for foreign institutions."[1] Jencks's and Riesman's statement echoes the sentiments of students, scholars, and policy makers in the United States and abroad. Like no other institution of higher education, the American university attracts scientific talent from all over the world. Like no other, it is a symbol of individual opportunity and the advancement of discovery. According to the eminent sociologist of science, Joseph Ben-David, the American university has succeeded the German university as the center of world science.[2] Yet, the modern American university is only a little more than a hundred years old. And no other institution looms as large in its creation as does the German university. As Abraham Flexner, first director of the Institute for Advanced Study at Princeton University, put it in an assessment of the role of the German university: ". . . from it [the German university] has sprung the graduate school of the new world; to it industry and health and every conceivable practical activity are infinitely indebted."[3]

In this part of the book I consider the way Americans created the graduate school, the centerpiece of the American university, during the second half of the 19th century in a sustained dialogue with the German model. As a test case of the relationship between culture and institutions, this dialogical engagement between two institutions is a boon providing many opportunities for institutional comparisons. By reviewing how the German university of the early 19th century—then itself a new institution—impressed, inspired, and influenced the Americans who were looking for good ideas about academic institution-building, how they used and "implemented" the ideas and institutional blueprints they found, and which role culturally shared beliefs and sentiments played in the process, we obtain a window on institution-making in action. In a way, we are following the results of a natural experiment during which two cultures interact and compare themselves.[4] The perspective I take shifts the attention from frictionless and disembodied "processes of diffusion" to the historical actors who do the diffusing. Instead of abstract forces unfolding through historical time and space at

zero transaction costs, we observe men and women, motivated by particular ideas, ideals, and interests, learning from a foreign example and struggling to reshape their own institutions in light of what they learned. In the case at hand, we observe how the blueprint for a new model of higher education was carried in the minds of many thousands of Americans on the ocean-liners of the Hamburg-America Line, literally one traveler at a time.[5]

The "Migration of a Race"

On October 27, 1906 John W. Burgess, speaking in his capacity as first "Roosevelt Professor" at the University of Berlin, read a letter from the American President, Theodore Roosevelt, to his audience, which included the German Emperor:

> Since the Civil War the large emigration of students from the United States to German universities is one of the most remarkable and important features of our intellectual life, and it is one of the most significant facts in our American education that those sons of our Republic who have been educated in German universities guide and control our higher education.[6]

No doubt, President Roosevelt wanted to set a pleasant tone of mutual cooperation on this important occasion, but the essence of his statement was not exaggerated. American students had—not just since the Civil War, but throughout the 19th century—continued to flock to German universities at a metaphor-begging rate. As an observer in the pages of the *Educational Review* noted in 1898: "The procession of American students to the universities of Europe, and especially of Germany, has come to have a significance somewhat like that of the migration of a race."[7]

Of the estimated 8–10,000 Americans who went to matriculate at German universities, the bulk of them made the voyage between 1850 and 1900.[8] The available evidence suggests that during the 1850s to 1870s, the students pursuing the equivalent of graduate studies in Germany outnumbered those in residence in the United States. In those two decades, Göttingen, Berlin, Halle, and Leipzig were frequented by Americans in about equal proportion, after which Berlin emerged as the most popular destination, and Americans also began to discover universities in the south of Germany, especially Heidelberg and Tübingen.[9]

Given that graduate education in the United States was very much in its infancy during that period, those students who took the trouble to make the expensive and hazardous voyage to Europe represented a signal portion of the American "graduate student population." Harvard, for example, the largest and best-known college, counted 529 students in 1868.[10] Five years later, in 1873, Harvard conferred its first PhD, and another seven years later, all American institutions combined produced just 54 PhD degrees.[11]

At the same time, *several hundred* students pursued graduate studies at German universities, many returning with doctorates.[12]

If the student migration to German universities was remarkable for its quantity, it was even more so for the caliber of the people who went and returned. Of the 261 Americans recorded to take degrees in Göttingen between 1815 and 1870 (many studied without taking degrees), 22 returned to become college presidents in the United States.[13] Johns Hopkins University, the first American graduate school, opened with a faculty of 53, of whom "with few exceptions" all had spent time at German universities.[14] In 1870 nine out of 23 professors at Harvard University had studied in Germany.[15]

A leading promoter of graduate education was Richard T. Ely, who graduated from Columbia University in 1873 and earned a doctoral degree from Heidelberg University in 1876. About his Heidelberg experience, Ely wrote: "I had the feeling that I had entered into a new heritage of freedom. . . . There was a free and large spirit on the part of the professors . . . to which I had not been accustomed. I felt that . . . there was room for growth and encouragement of the development of individuality, which was something new to me."[16] Ely was a member of the faculty of Johns Hopkins from 1881 to 1892. After resigning that position over a controversy concerning his liberal views, he became an influential economist at the University of Wisconsin and a founding member of the American Economic Association.

John W. Burgess, who was instrumental in transforming Columbia College into modern Columbia University, had studied in Göttingen, too. He believed that the Germans "are farther along in the development of the true university than any other nationality" and that there were many features of the German system "which we will do best to accept and imitate."[17]

Another enthusiast of the German model of higher education was Henry P. Tappan, first president of Michigan University and initiator of its graduate school. Tappan's interest in the German model had been triggered by Victor Cousin's widely circulated report on the Prussian education system.[18] Cousin, assistant secretary of education under Guizot, the doyen of French historians, had made a study tour of the Prussian education system and written an influential report on his findings. The English translation of it became a bestseller among American educators. The book prompted not only students seeking higher education, but also future architects of American public education like Horace Mann and Henry Barnard to travel to Germany to see the education system firsthand. Even American pre-school education was swept up by the enthusiasm for German education theory and practice. Here, the flow of influence is forever enshrined in that uniquely American word "kindergarten."[19] As a contemporary observer concluded: "The effect of this movement [to Germany] has been felt in almost all the universities in the land, especially in those which have established graduate schools for giving higher instruction to advanced students."[20]

Not all visitors reported back in such glowing terms, though. Henry Adams, applying his trademark caustic wit to describing himself as a young

law student in Berlin in 1858, found "the lecture system in its deadliest form as it flourished in the thirteenth century," the professors mumbling, and the students paying fees for courses whose content they could have acquired faster on their own.[21] Charles W. Eliot, a chemist by training, did his own version of a study tour of the German and European universities in 1865. He was impressed by the chemistry instruction at Marburg University, but found that Germans had no taste—or skill—for liberty:

> Germans have a theoretical liking for democracy but they know much less than the English of the practice of liberty. I find that the entrance into the learned professions is made inconceivably hard in many of the German States. In this little Kurhessen a man cannot kill pigs or make stoneware unless he has served so many years as apprentice journeyman to the satisfaction of his employer and the police. The Government assigns to every physician the place in which he shall practice, and determines the number of physicians in every town, . . . it is impossible for a man to practice anywhere unless he has the authorization of the Govt. The chief value of freedom is that it forces people to think—to use their senses and their judgments. No young Hessian doctor or lawyer ever has to decide for himself the anxious question—is there an opening for me in such and such a town—have I the will and energy to compete with so and so. The Government settles all such questions. No young minister need ever harass himself about the subject of his Thanksgiving sermon—the Government will give him his text. Freedom makes men think for themselves, and thinking is living. . . ."[22]

Increasing Disenchantment

In the 1890s, these critical voices often rivaled the long sustained attitude of admiration and awe for German scholarship. Articles in the *Educational Review* began to compare German and American graduate education, insisting that it was no longer necessary to go to Germany for graduate studies, except in those few cases where a German professor pioneered research not yet done in the United States. And seven years after John W. Burgess had flattered the *Kaiser* by reading Theodore Roosevelt's admiring letter, another American academic, Professor Minot, addressed the *Kaiser* on the occasion of Minot's assuming a prestigious German-American exchange professorship, albeit in more sober terms. He gently but clearly reminded the emperor that "statesmen should never forget that they are to serve the people," and that Americans have built academic libraries "where it's really possible to get at the books." Portrayals of university life in Germany now occasionally mocked the odd habits of deference to authority, even if it was only to a German subaltern official at the registrar's office yelling at a student for not removing his cap upon entry.

One reason for the change of tone was certainly the rapid growth of American quality graduate education. But another reason was Germany's increasing drift towards authoritarianism. After Prussia's victory over France, nationalism and militarism were beginning to pervade the culture. In 1873 the superintendent of the Connecticut Board of Education, Birdsey Northrop, criticized the "mischievous mania for European education just now in fashion."[23] He pointed to the differences in moral and cultural climate in the two countries:

> The military spirit is now dominant and all-pervasive in Germany. The school is one of the appointed agencies for diffusing aristocratic ideas and fortifying monarchical institutions. Education naturally conforms to the prevailing political sentiments. Our system aims at the development, protection, and prosperity of the individual. There the State is always the central figure. With us the Government is for the people as well as of the people. There the people are for the Government, and the children are taught that they belong to the State, somewhat as they do to their parents.[24]

Northrop undertook a formal survey of the issue among many college and university presidents. One of the many who agreed with him was Charles W. Eliot, who nevertheless insisted that "our educational institutions of all grades are inferior to the German."[25] Despite these warnings, the flow of students was to continue unabated for another two decades.

Of course, as studying in Germany became *de rigeur* among aspiring American academics, many made the voyage for less high-minded reasons than to partake in the spirit of free scholarship. For one thing, it had transpired that studying in Germany was a bargain. Living expenses were very reasonable, and study fees were extremely low compared to the US. Also, some German universities had a reputation of being "easy," i.e., to hand out advanced degrees after only a few semesters of study.

Another appealing factor was the greater liberality students enjoyed in Germany. Instead of tutors and administrators acting *in loco parentis*, and closely checking their course of study, they experienced *Lernfreiheit* (literally "freedom to learn"), which guaranteed that one could choose the courses one was interested in. Instead of dormitory life on a campus often segregated from urban areas, they chose their own living quarters in the middle of towns and cities. Instead of fixed graduation schedules, they worked at their own pace.

But the reason why Americans overwhelmingly adopted Germany, as opposed to England and France, as the country of choice for academic work and institutional emulation were more robust than convenience or economy. Of the three countries England, France, and Germany, only the universities in Germany were in a state to offer education that was unavailable at home. The English system had still not recovered from the deficiencies pilloried by

a long list of first-rate scholars from Adam Smith to J.S. Mill. In particular, the English university offered little assistance to the guidance-seeking junior scholar. As Burgess put it:

> We had not been able to learn much from the English model. At that time the so called English university was a number of undergraduate colleges grouped together in one place. They did nothing for graduate or university work, except in the way of fellowships conferred after graduation upon students who had been successful in undergraduate work. These men lived in the dormitories, as we call them, of the different colleges, on the fellowship stipends, and educated themselves by reading in the libraries and by social intercourse with the men more advanced than they in the different branches of knowledge. They were not, however, brought under any regular faculty instruction. The result of this method of higher education was even more aristocratic than the German or French system.[26]

As to the French system, two main reasons mitigated against its use as a model. First, French higher education seemed to consist largely of an extremely centralized system of polytechnical institutes located in Paris, offering a rigid nine-year sequence of studies with high entry requirements and few opportunities to exit the system gainfully before the end of the full program. And, secondly, while it was always possible to learn a great deal by immersing oneself in the bohemian subculture of Paris, doing so conflicted severely with the values and priorities of upper middle class Protestant Americans, who were persuaded that Paris was an unsafe place for a young man to spend time on his own.

Summary

An institution, to remain vital, must, like a story, be told over and over again. It must be part of a narrative, a way of seeing the world. Books are a comparatively poor means of learning such a narrative. Direct experience is key. In the history of institutional lending and borrowing, the wave of educational migrants that followed George Ticknor to Germany has been unprecedented in both quantity and quality. Thus it can be said without exaggeration that the entire first generation of American doctoral students and the first generation of the new research-oriented American professors was educated at or significantly influenced by the German university. These thousands of students and future higher education leaders had observed and partaken in the narrative that was the new institution. They were eager to re-create it on American soil.

Notes

1 Christopher Jencks and David Riesman, *The Academic Revolution* (Garden City, NY: Doubleday, 1968), 513.

2 Joseph Ben-David and Teresa A. Sullivan, 'Sociology of Science', *Annual Review of Sociology*, 1 (1975), 203–222.
3 Abraham Flexner, *Universities* (London and Toronto: Oxford University Press, 1930), 315.
4 Friedrich H. Tenbruck, 'Was war der Kulturvergleich, Ehe es den Kulturvergleich Gab?', in *Zwischen den Kulturen?: die Sozialwissenschaften vor dem Problem des Kulturvergleichs*, ed. by Joachim Matthes (Göttingen: O. Schwartz, 1992), 17.
5 The student of the relation between German and American higher education can draw on a number of valuable sources: Charles Franklin Thwing, *The American and the German University; One Hundred Years of History* (New York: Macmillan, 1928) is an early survey of the role of the German model, containing much detailed information on the individuals who shaped the transactional process. Carl Diehl's *Americans and German Scholarship, 1770–1870* (New Haven, CT: Yale University Press, 1978) emphasizes different aspects of the same story, focusing on German philological and humanistic scholarship. The most thorough studies of the German influence on American educational institution building have been undertaken by Jürgen Herbst, *The German Historical School in American Scholarship: A Study in the Transfer of Culture* (Ithaca, NY: Cornell University Press, 1965), which focuses on the way in which a particular school of thought, German historical scholarship, has influenced American academia and presents much useful information besides. A broader area of influence is covered in: Henry Geitz, Jürgen Heideking, and Jurgen Herbst, *German Influences on Education in the United States to 1917* (Cambridge, MA: Cambridge University Press, 1995); see, for instance, chapter 11, "American Students in Germany, 1815–1914: The Structure of German and U.S. Matriculants at Göttingen University." Being interested in what it tells us about the process of institution building, my own agenda runs perpendicular to the purposes of these studies.
6 John W. Brugess, *Reminiscences of an American Scholar: The Beginnings of Columbia University* (New York, NY: AMS Press Inc, 1966), 370.
7 Samuel H. Bishop, 'University Study at Berlin and at Oxford', *Educational Review*, 15 (1898), 351.
8 Paul Bernard and James Turner, 'The German Model and Graduate School', in *In The American College in the Nineteenth Century*, ed. by Roger L. Geiger (Nashville, TN: Vanderbilt University Press, 2000), 69–98.
9 Diehl, *Americans and German Scholarship, 1770–1870*, 53.
10 Massachusetts Historical Society, *Proceedings of the Massachusetts Historical Society* (Boston, MA: The Society, 1897); in 1848 there were 273 undergraduate students, ten years later, 409.
11 Samuel Eliot Morison, *Three Centuries of Harvard, 1636–1936* (Cambridge, MA: Harvard University Press, 1986) and Snyder D. Thomas, *120 Years of American Education: A Statistical Portrait* (U.S. Department of Education, Office of Educational Research and Improvement, National Center for Education Statistics, 1993) note that in 1880 American graduate schools produced 54 PhD degrees, in 1890, 149 PhD degrees, and in 1900 a total of 382 PhD degrees.
12 Official American matriculation at German universities reached its highest point in 1895 with 517 students, see Laurence R. Veysey, *The Emergence of the American University* (Chicago, IL: University of Chicago Press, 1965), 130.
13 "No less than twenty two college presidents have been recruited from the ranks of Göttingen students." Daniel B. Shumway, 'The American Students of the University of Göttingen', *German American Annals*, 8 (1910), 176.
14 In: Thwing, *The American and the German University*, 43. The 13 Hopkins faculty members who received their doctorates in Germany are cited as: B.L. Gildersleeve, Göttingen 1853; Ira Remsen, Göttingen 1870; H.N. Morse, Göttingen

1875; W. E. Story, Leipzig 1875; H. B. Adams, Leipzig 1876; Paul Haupt, Leipzig 1878; Henry Wood, Leipzig 1879; M. Warren, Strassburg 1879; R. T. Ely, Heidelberg 1879; E. Renouf, Freiburg 1880; Julius Göbel, Tübingen 1881; G. H. Williams, Heidelberg 1882; H. W. Smyth, Göttingen 1884.

15 Diehl, *American and German Scholarship 1770–1870*, 116.
16 Herbst, *The German Historical School in American Scholarship: A Study in the Transfer of Culture*, 19.
17 Burgess, *Reminiscences of an American Scholar: The Beginnings of Columbia University* (New York: Columbia University Press, 1934), 361 and 363.
18 Cousin, *Bericht Über Den Zustand Des Öffentlichen Unterrichts in Einigen Ländern Deutschlands Und Besonders in Preußen.*
19 Heinz-Dieter Meyer, 'Fröbel oder Head-Start?—Religion und Wissenschaft in der Institutionalisierung frühkindlicher Erziehung in Deutschland und den USA: "Säkularisierung" auf dem Prüfstand', in *Religion und Politik Zwischen Universalismus und Partikularismus*, ed. by Heinz-Dieter Meyer, Michael Minkenberg, and Ilona Ostner, Jahrbuch für Europa- und Nordamerika-Studien, 2 (VS Verlag für Sozialwissenschaften, 2000), 225–252.
20 Massachusetts Historical Society, *Proceedings of the Massachusetts Historical Society*, 367.
21 Henry Adams, *The Education of Henry Adams: An Autobiography* (New York: Time Incorporated, 1964), 82.
22 Charles W. Eliot from Marburg, January 26, 1865:20, letters written during October 12, 1864 to March 1, 1865. file: UA I 5.150, Box 440, Folder: October, 63–65 "European Letters", Harvard University Archives.
23 Stuart Fraser, *The Evils of a Foreign Education: Or, Birdsey Northrop on Education Abroad, 1873* (Nashville, TN: International Center, George Peabody College for Teachers, 1966).
24 Ibid. 4.
25 Ibid. 10.
26 Burgess, *Reminiscences of an American Scholar*, 199.

6 Contested Designs

Back in Boston, George Ticknor, now Harvard Professor of Belles Lettres, threw himself at once upon reshaping academic instruction in the image of the German university. His first object was to introduce the lecture method: "I began with the French and, in about two years, finished between fifty and sixty Lectures, equal in print to three good sized octavo volumes . . . ," he proudly announced to Jefferson.[1] Writing a lecture was a new thing. It meant making a survey of the available knowledge in a field and organizing it so that students could absorb the latest developments in their area of study. Apart from his attempt to introduce the lecture method singlehandedly, Ticknor relentlessly campaigned at Harvard for other innovations, e.g., voluntary attendance at lectures, the so-called "elective system," a vastly improved library, and a sounder financial basis for the entire college. To that end, Ticknor even asked former President Jefferson's help in petitioning Congress to revoke custom charges on book imports from Europe.

Ticknor saw Thomas Jefferson and himself leading the fight for academic innovation in the United States: Jefferson in the South, Ticknor in the North. The younger man expressly welcomed Jefferson's plans for the University of Virginia because "at Cambridge we never shall become what we might be very easily, unless we are led or driven to it by a rival." And improve they must so that there was a model "to lead all other institutions in the country, just as our imperfect establishment at Cambridge has led all others into an unfortunate imitation of its clumsy system for the last half century."[2]

Yet, despite the boundless energies that he invested in changing what was then America's leading institution of higher learning, Ticknor increasingly felt that he was fighting the winds: ". . . I have declined from the first, any attendance on my lectures, which is not voluntary; but the Professors still keep on in the beaten track, and will not probably soon be induced to change."[3] Frustrated after a few more years that brought little change, Ticknor resigned.

Henry Philip Tappan, appointed first president of the University of Michigan in 1852, and equally enamored of the virtues of the German university, met with a similar fate. In 1850 he had published a long dissertation on "university education," tracing its development from the Greek academies

to modern Europe, especially Germany.[4] As head of the University of Michigan, he attempted to reorganize it along the lines of the Prussian model, "acknowledged to be the most perfect in the world."[5] His efforts centered with some success on the introduction of graduate faculties and seminars. But in 1863 the University's board of regents, which favored a more practical education, decided to relieve him of his duties.[6]

George Ticknor had begun his Harvard professorship in August of 1819. In 1835, after 16 years of uphill struggle, he retired from Harvard at age 44. Being sufficiently well off not to depend on Harvard's salary, he did not even have the patience to wait for the return of Longfellow from Göttingen, who was to succeed him in his position as professor of Belles Lettres. Charles Eliot, the founder of modern Harvard, probably summarized his contribution appropriately when he said that Ticknor was "50 years in advance of his time."[7] When Eliot made this pronouncement at Harvard in 1883, the modern American graduate school, and with it the modern American university, was settling into its ultimate shape. And it was Eliot, the self-conscious Boston Brahmin, along with a small circle of like-minded pioneers at Johns Hopkins, Cornell, and other universities, who spearheaded the change. How did Eliot succeed where Ticknor had failed?

In the 50 intervening years between Ticknor's failed and Eliot's successful drive for institutional innovation, the United States had changed from an agrarian to an industrial society. Railways, telegraphs, and giant urban agglomerations became ubiquitous in the American landscape. Equally important, in 1864 the democratic and industrializing North emerged victorious over the plantocratic, rural, slaveholding South. The mores of democracy, equality of opportunity, and advancement by means of science and the application of knowledge had carried the day over those espoused by an aristocracy based on race and genteel leisure. These changes made the limits of the colonial-age college system, which produced neither engineers nor professionally trained scholars and scientists to staff the offices and organizations of the new industrial age, far more obvious.

But not only did the need for innovation grow. The rapid development of the industrializing North also brought into existence a social class that was able and willing to act on it. They were the merchants, bankers, capitalists, entrepreneurs—the commercial elite of the American Northeast, concentrated in the cities along the Eastern Seaboard from Philadelphia to Boston. By a unique combination of highbrow tastes, Protestant beliefs, vast wealth, and freedom from government interference, this class irreversibly changed the conditions of higher education in the United States. Neither lacking the money nor the desire to spend it, they needed objects on which to bestow their wealth that met their Protestant beliefs and highbrow tastes. According to Lawrence Levine, first among these objects of patrician philanthropy were the symbols of old world art and learning.[8] The core cadre of these captains of finance and industry believed that "commerce and civilization go hand in hand." These men were assiduous in business, yet "capable of

detaching themselves from it" to answer to callings and ambitions beyond amassing private wealth.[9] David Riesman spoke of "a kind of patrician bourgeoisie which was not enthusiastic about commerce but accepted it as part of its own life."[10]

The Role of the Boston Brahmins

The geographic center of this class was Boston, and its intellectual pivot was Harvard. What connected the two for much of the 19th century was the Bostonian aristocracy, which one of their number—Oliver Wendell Holmes—in 1860 dubbed the Boston Brahmins, for their Brahmin-like combination of exclusive caste status, social influence, and learning.[11] The better known of their family names—Adams, Cabot, Eliot, Emerson, Lawrence, Lodge, Lowell, Peabody, Putnam, Quincy, Ticknor—litter the Harvard register of students, faculty, presidents, and donors. They shared not only a common ancestry (many could trace their American heritage to the Mayflower or, if they arrived later, to English aristocracy), but were also linked to each other via marriage arrangements and shared property holdings. Attending one of the nearby elite preparatory schools in Andover or Groton was part of the expectation, as was continuing their education at Harvard or one of the other colonial colleges.[12]

The members of the Brahmin culture felt obliged to uphold in democratic America aristocratic standards of excellence and civility as paragons of a cultivated and liberal-minded aristocracy. They saw themselves as "men of breeding and intelligence, of taste and substance," an "aristocracy of brains, education, and talent."[13] Nor were they content to be mere observers of social life from their elevated perches around Boston's Beacon Hill. Many of them involved themselves in the key reform issues of the day, including universal suffrage, political corruption, protective tariffs—and education. They included such illustrious figures as Charles W Norton and Henry Cabot Lodge (tutored by a young Henry Adams), who illustrate the tight family and institutional interconnections that made them a leading social and intellectual influence in late 19th century America.

Charles Eliot Norton graduated from Harvard in 1846, spent almost two decades travelling and living in Europe, and then became history professor at Harvard from 1875–1898. Norton was first cousin to Harvard president Charles Eliot and for many decades the go-to intellectual for European visitors to Boston. He expressed the sentiment of the "best men" in an essay on "Intellectual Life in America" redolent with Emersonian sentiment but more weary of the role of equality:

> The principle of equality is extended into regions where it has no proper validity. Our public life, our literature, our journals, our churches, our amusements, our politics, all exhibit a condescension to the crowd. . . . There is a lack of independence and of leading. . . .[14]

The Brahmins formed a circle of about 60 Bostonian families who mixed easily with the burgeoning industrial enterprises. Known as "Boston Associates," they revolutionized the financing and planning of New England's industrial development through the use of pooled capital and the corporate form.[15] They brought the textile industry to New England and gave their names to institutions and even entire cities (e.g., Lowell and Lawrence). The founders and supporters of key institutional innovations in the area of health and culture, they were also the major financial backers of Harvard. As Peter D. Hall has shown, this class held to a set of beliefs at once aristocratic and Christian, conscious of their exalted positions as well as their attending obligations.[16] Similarly, in New York, museums, symphonies, theaters, and other cultural institutions owe their existence to (and bear the names of) the city's patrician beneficiaries: Guggenheim, Frick, Cooper, Pratt, Carnegie, Whitney, Rockefeller, and many more who gave their money less ostentatiously.[17] Following the precedents of Boston and New York, the cultural landscape in Chicago was transformed through a "strange combination of pork and Plato" beginning in the 1880s by gifts from businessmen who created the Art Institute, the Newberry Library, the Chicago Symphony Orchestra, the University of Chicago, and the Field Museum, to mention a few.[18] Within half a century this class engineered a lasting transformation of the American cultural landscape, as Americans discovered that shunning European monarchy did not require them to also shun European art, architecture, and higher learning.[19]

Inevitably, higher education became a favorite object of the patricians' philanthropic efforts. As stories about the European universities told by great numbers of upper class Americans who returned from their European studies made the rounds, the university moved into the center of the patricians' attention. From the beginning, business philanthropy had been an important source of higher education funding. But following the Civil War, gifts for universities went up dramatically. Before the war the bigger gifts had been in the $50,000 range. After the war, Johns Hopkins, a Quaker and entirely self-made merchant and investor in Baltimore (he quit school at age 12) left $3.5 million for the founding of Johns Hopkins University in his will (and another $3.5 million for the founding of a hospital). Leland Stanford, a New Yorker who settled in California, gave $24 million for the founding of Stanford University on farmland he owned in Palo Alto. And John D. Rockefeller supported the University of Chicago over the course of two decades with $34 million.[20] The social composition of the university boards of trustees reflected this change, too. Where ministers had once been predominant, the boards of trustees were now largely composed of lawyers and businessmen.

Despite their practical sense and pronounced self-confidence, the 19th century patrician philanthropists were barred by the scale of their responsibilities and the size of their gifts from personally overseeing their proper execution. Increasingly, they depended on trusted experts to advise them

and manage the universities they were willing to found. With the steady flow of upper class Americans returning form German universities, the philanthropists could choose among many able scholars to guide such innovative efforts. The joint venture of merchant and scholar became almost an institution in itself. Ezra Cornell, a self-taught and self-made man who had earned great fortunes in the copper wire business (needed to run telegraph lines across the country), teamed up with the mathematician Andrew Dickson White to design the plan for Cornell University and to become Cornell University's first president. Johns Hopkins in Baltimore hired Daniel Coit Gilman to build and lead the country's first graduate school. Instead of the stereotypical distrust so often separating men of money and men of the mind, businessmen and scholars began to form a tight-knit group. Sharing the same social background and outlook, they resorted to each other for advice, ideas, and personnel recommendations. Daniel Coit Gilman, who graduated from Yale in 1855 and had been president of the University of California, was recommended by Charles W. Eliot of Harvard, Andrew D. White of Cornell, and James B. Angell of University of Michigan to head Johns Hopkins and build the first full-fledged U.S. graduate school. Gilman, in turn, advised Eliot when he became president at Harvard in 1869. The education-minded sponsors and their learned consultants and friends entered into a historically unique coalition of wealth and intellect. This tight-knit circle of friends, associates, and former college mates[21] was sustained by an unceasing flow of contacts and correspondence. Their close ties and frequent communications enabled the new generation of academic pioneers to learn from each other's experiences and, in cases of conflicting or contested ideas, to mutually adjust their views on the mission of the new institution.

Combining College and Graduate School

Despite all the intelligence, money, and post–Civil-War uplift that favored the creation of the graduate school, it took some experimentation with the new academic institution until the final form was found. The beliefs and interests of the different groups pointed the way in different directions. A key problem was how to fit the new institution into the existing academic landscape dominated by the small college. The first institutions to make a clear-cut break with tradition were Cornell and Johns Hopkins (1868 and 1876). They organized the graduate school on the German model, which is why some historians of the American university call "White [of Cornell], along with Gilman of the Hopkins, . . . the key figure in the creation of the modern university."[22] Yet, the new institution of the graduate school, even though it created pressure for the older ones like Harvard or Yale to innovate, was not yet securely entrenched in the American institutional landscape. After Cornell experienced difficulties in launching undergraduate and graduate level education simultaneously due to insufficient enrollment,

Johns Hopkins experienced strains resulting from its nature as a freestanding graduate school. Only when Charles Eliot began to modernize Harvard by building the Harvard graduate school *on top of and in extension* of Harvard College did the American university find its final form.

In 1869 Charles W. Eliot began what turned out to be a 40 year reign at the helm of Harvard, during which the oldest and best known American institution of higher learning was transformed into a modern university. Among the founders of the American university, Charles Eliot enjoyed a particularly strong position. A descendant of a Boston Brahmin family solidly connected to Harvard College and Harvard Corporation for four generations,[23] a former teacher of chemistry at the nearby Massachusetts Institute of Technology, and a devotee of classical learning, Eliot shared the culture and enjoyed the trust of the Boston merchant elite. One of his paternal ancestors had been the secretary of Harvard's board of overseers, another a Harvard professor of Greek, and his aunt was George Ticknor's wife. Ascending to the presidency of Harvard University at a time of great perceived need for change, his freedom to act was unrivalled: "What gives confidence to Pres't Eliot's tone is the feeling that he speaks the minds of the leading men in the community [of Boston]. He would anywhere be utterly fearless and outspoken but he could not have that victorious tone."[24]

Even before electing Eliot president, the board of overseers had determined that Harvard needed change. The "nineteenth-century German conception of a university . . . was already the ideal of the Overseers before Eliot was elected."[25] In words that evoked Ticknor's letters from Germany, the board in an 1869 memorandum (half a year before Eliot took the presidency) set Harvard on course towards a modern university:

> A university should give opportunity for universal culture; it should provide faculties in language, science, law, theology, medicine, engineering, architecture, and all the arts. It ought also to be furnished with museums, cabinets, libraries, botanic garden, observatory. . . . By bringing together such varied apparatus for study, and so many teachers and students, a literary atmosphere is created as well as a tone of thought favorable to learning. Teachers have more enthusiasm, and gain a larger, freer style of thought, in such a generous atmosphere.[26]

Another goal of the overseers was "the emancipation of Harvard from its confused relation to the State" by putting it on a financial footing of private support only, solely "resting on the love and help of its Alumni," whose pockets the board knew to be deep. As a descendant of an established family of Harvard supporters who was also a scientist, Eliot seemed, despite his young age of 35, the ideal choice of the board. Yet, among the Harvard faculty many feared that Eliot's support of a new direction endangered "all the subtle values of a liberal education, accumulated over two centuries."[27] If it had been up to the Harvard faculty, Eliot might never have had his chance.

On first try, the faculty rejected his nomination, accepting it only after some arm-twisting by the board.

College and Gymnasia

As we have seen, one of the defining features of the American University as we know it today is the combination of the (undergraduate) college and the graduate school in a two-step sequence. This odd institutional arrangement is the result of a struggle to adapt innovations that sprang up in Germany to the American environment. Opposition came from many sides. Many of those who had grown up as teachers and professors of the old-style college feared the change. "The weaker brethren [of professors] knew they could never teach graduate students. . . ."[28] Also, in many places where graduate schools were struggling with low enrollment (Yale's graduate school, after 20 years, had only 30 students), it seemed that perhaps the new institution was indeed too far ahead of its time.

Another issue concerned the future role of the American college. Among those familiar with the role of the Gymnasia in the German system, there was wide agreement that the Gymnasium's preparatory work was crucial for the success of the university. Most also agreed that the last three years (the *Oberstufe*) of 19th century German Gymnasium was in every respect comparable, if not superior to the American college. Michigan president Tappan asserted that "[i]n Germany the Gymnasia are really the Colleges. The education which they furnish is more thorough, we believe, than what is obtained at the Colleges of either England or of our own country."[29] Half a century later, Tappan's assessment was seconded by someone who should know. Hugo Münsterberg (1863–1916), who had attended the Gymnasium in Danzig during the 1870s, and later joined the Harvard faculty (teaching there from 1892–1910), put it thus:

> I can say that very few Harvard students have entered the senior class [the final year of college] who would have been able to pass that examination [the *Abitur*] respectably. [. . .] Our three highest gymnasium classes alone correspond to the college; and whoever compares the German university with the American college, instead of with the graduate school, is misled either by the age of the students or by the external form of student life and instruction.[30]

If one of America's best colleges was just equal to the German Gymnasia, there seemed to be little hope that the colleges as a whole could produce the number and caliber of students needed to enter graduate schools on a larger scale. Thus there were serious proposals to "replace" the college with a new Gymnasium-type preparatory school as the adequate foundation for an American university. John W. Burgess was one of the advocates of this idea: "I confess that I am unable to divine what is to be ultimately the position of

colleges which cannot become universities and which will not be gymnasia. I cannot see what reason they will have to exist. It will be largely a waste of capital to maintain them, and largely a waste of time to attend them. It is so now."[31]

But redefining the mission of the college was only one part of the problem. The other was to build that entirely new institution, the graduate school. The "start from scratch" strategy chosen by Johns Hopkins, Cornell, and some smaller ventures like Clark University in Worcester did not point the way for the more established institutions. While their role as pioneers of innovation must not be underestimated, they did not provide the model that would be adopted throughout the country. Instead of a combination of *de novo* graduate schools ("universities") and *de novo* preparatory schools ("gymnasia"), the solution that would prevail in the United States was the one that Eliot pioneered at Harvard. It consisted of two elements: (1) the gradual addition of graduate education in addition to and as an extension of the college; (2) the redefinition of the college as an "undergraduate" institution with a dual function: to provide a terminal degree for those who, as before, wished to enter the professional world, and to serve as a preparatory school for those desiring further scientific training.

The advantage of this *incremental* solution, compared to the more radical 'from scratch' overhaul, was twofold. First, the college, with its deep roots in the American cultural fabric, was redefined rather than "discarded." Second, the graduate school could be developed in a stepwise fashion, as supply of appropriately trained professors and demand by appropriately trained students warranted. In the vulnerable first stages of its development, it was also possible to exploit the synergies between college and graduate school and employ professors in both schools who might be underutilized in a free standing graduate school. The financial risks that inevitably accompanied the new educational venture could thus be minimized compared to 'from scratch' ventures, which were under much higher pressure to succeed.

By 1880 a new institution of higher education had taken root in the United States—the American graduate school. Through a series of contests in which partisans of alternative designs—sticking with the old system, strengthening the few scientific schools that had sprung up, starting over from scratch, or building a central, government supported university, to name a few—all had their day, the system that we know today as the American university assumed its shape: decentralized and unregulated, trustee- rather than government-controlled, combining liberal undergraduate and academically and scientifically oriented graduate education.

Notes

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3 Ibid.

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7 Eliot, quoted in Long, *Thomas Jefferson and George Ticknor*, 54.
8 Lawrence W. Levine, *Highbrow/Lowbrow, the Emergence of Cultural Hierarchy in America* (Cambridge, MA: Harvard University Press, 1988).
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13 John G. Sproat, *The Best Men: Liberal Reformers in the Gilded Age* (Cambridge, MA: Oxford University Press, 1968), 173.
14 Charles Eliot Norton, 'Intellectual Life in America', *The New Princeton Review* (1888), 312–324, 321.
15 Robert F. Dalzell, *Enterprising Elite: The Boston Associates and the World They Made* (Cambridge, MA: Harvard University Press, 1987).
16 Peter D. Hall, *The Organization of American Culture, 1700–1900: Private Institutions, Elites, and the Origins of American Nationality* (New York: New York University Press, 1984). See especially chapter nine, "Class and Character in Boston", 178–208.
17 New York's Public Library was funded by Philip Astor; the Modern Museum of Art sits on land originally owned by the Rockefeller estate.
18 Milton Friedman and Rose Friedman, *Free to Choose: A Personal Statement* (New York: Houghton Mifflin Harcourt, 1990), 130.
19 Levine, *Highbrow/Lowbrow*.
20 Edward C. Kirkland, *Dream and Thought in the Business Community, 1860–1900* (Lanham, MD: Ivan R. Dee Publisher, 1990). Soma Hewa, 'The Protestant Ethic and Rockefeller Benevolence: The Religious Impulse in American Philanthropy', *Journal for the Theory of Social Behaviour*, 27 (1997), 419–452.
21 Turner and Bernard, *The American College in the Nineteenth Century*, "Wayland and Tappan [the presidents of Brown University and Michigan University] were both nurtured by Nott at Union" and "in turn, were each mentors of the founding president of Cornell, Andrew Dickson White, influencing his ideas far more than did the teachers at White's alma mater, Yale," 87.
22 Turner and Bernard, 'The German Model and Graduate School', 87.
23 Samuel Eliot Morison, *Three Centuries of Harvard, 1636–1936* (Cambridge, MA: Harvard University Press, 1986), 225.
24 Laurence R. Veysey, *The Emergence of the American University* (Chicago, IL: University of Chicago Press, 1965), 98.
25 Morison, *Three Centuries of Harvard, 1636–1936*, 326.
26 Ibid. 326.
27 Ibid. 328.
28 Ibid. 335.
29 Tappan, *University Education*, 49.
30 Hugo Münsterberg, *'School Reform' in American Education in Foreign Perspectives: Twentieth Century Essays* (New York: J. Wiley, 1969).
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7 Protestants and Philanthropists

As the university migrates and takes root on a new continent, it not only changes its institutional structure, it also adopts a new culture. It begins, as it were, to "think anew," in Mary Douglas's sense.[1] Specific beliefs act as switchmen, clinching the contest over rival designs. These beliefs also channel the activities going on inside the university. No other set of beliefs and ideas has been as effective in this process of institutional reframing than Protestantism, evoking parallels to Max Weber's thesis about the role of Protestantism in the rise of modern capitalism.

Max Weber believed that modern Western capitalism emerged as the result of a unique constellation of four factors: rational experimental science, science-based technology, rational law, and Protestantism. While science, technology, and systematic law were institutions that could be found in many non-Western cultures, the combination of all four elements was the unique result of the Protestant Reformation and the great mental revolution it spawned. Protestantism provided a mental orientation that, unlike Catholicism, not only legitimized profit-making, but also supplied the basis for trust and cooperation among like-minded believers. It provided, as Daniel Troehler argued, a *parole*, a "passive store" of mentalities that was crucial in the rise of modern mass education in the West.[2] It was, as Howard showed (see chapter four), of particular importance in the German transformation of the university from a medieval institution governed by Catholicism to its modern garb, focused on empiricism.[3] In some sense what happens in the process of the university's institutional migration from Europe to the United States can be summed up as the assimilation of a set of animating beliefs—*Bildung* and *Wissenschaft*—to another, which we shall examine presently.

Protestantism and the Rise of Science

Inspired by Weber, Robert Merton has argued for an elective affinity between Protestant beliefs and values and the social changes that issued in the acceptance of science as a socially legitimate activity in his path-breaking study of 17th century England. According to Merton, Puritanism provided the resources for an overall cultural shift from literature and aesthetics to

reason and empiricism and the social-psychological resources for individuals to engage in the asceticism of daily research.[4]

Merton observed that the rise of Protestantism was accompanied by large-scale shifts in the prestige and priority-scale of the various subjects of learned inquiry. A decline of interest in the arts, especially ecclesiastical music and the visual arts,[5] an increased distrust in drama and poetry, and less interest in classical studies compared to an increasing interest in 'realien'=practical studies. Mathematics and physics rose in prestige as "the study of God in his works."[6] As the prestige of medicine and science rose, that of humanistic and theological studies fell.

"In contrast to medieval Catholicism, the Puritan ethos favored science by combining concern for the material world with a high regard for reason."[7] Medieval Catholicism and Calvinism construed the meaning of meritorious works in different ways, Calvinism stressing utilitarian criteria.[8] Catholicism with its monastic asceticism and belief in the impermanence of the material world favored repudiation of worldly action and contempt for physical sciences. Galileo had to fight the Catholic Church, but not the Protestant.

Science, viewed as a "handmaid of technology,"[9] is intimately associated with its exploitation for practical purposes. This was in stark contrast to the *Wissenschafts*-purism that would come to govern the view of science across the Channel. Puritanism associated contemplation and scholastic philosophy with idleness, while mechanical knowledge was associated with practical mastery.[10]

The affinity between Protestantism and the rise of utilitarian scientific values and standards was evident also in who pursued the new careers. Puritans were predominant among New England Fellows of the Royal Society and at Harvard.[11] They also dominated among scientists and students of schools emphasizing scientific training, whereas Catholics dominated in classical and theological training.[12]

Causally, the relationship between Protestantism and the rise of science as a vocation included two distinct effects. First, Puritanism was necessary to break the dominance of the old intellectual establishment favoring scholastic, speculative, and contemplative work. "The official intellectual elite ruling the universities and academies, the churches, and the courts were humanistic scholars, scholastic or other kinds of speculative philosophers, theologians, and lawyers. Only a few of these had any serious interest in natural philosophy, and even fewer in experimental philosophy."[13]

This effect is equivalent to the Protestant Ethic breaking the old equilibrium dominated by Catholicism, in which commerce was accepted only within certain narrowly defined social niches.

Secondly, Puritanism was "congenial" to the widespread diffusion of modern science on a social-psychological level, by providing individual scientists with the subjective motives to engage in scientific research as a vocation.

> Protestantism developed, among those who were its devotees, qualities and virtues of initiative, will, perseverance, resoluteness and fervor; probity, intransigent honesty, habits of curiosity, criticism and independence; a thirst for learning, a need for the diffusion and the secularization of knowledge, as well as the capacity for solitude; attributes which are all singularly foreign to Catholic thought, where they are not actively opposed to it.[14]

As Joseph Ben-David put it: the "religious-scientific ethos represented by the Puritan ethic . . . constituted a necessary condition of the institutionalization of science."[15]

Protestantism and the Creation of the American University

Given its seminal role in two important social sea-changes—the rise of capitalism and the institutionalization of modern science—it is warranted to inquire more systematically into the relationship between Protestantism and the American transformation of the modern university. The interest here is not merely historical. For one thing, in trying to understand why the American model of higher education remains singular to date, and why its global diffusion lags far behind its global attractiveness, Protestantism might supply an important missing link.

Following Weber, Merton, and Ben-David, I want to argue that Protestant beliefs were instrumental in the creation of some of the distinct patterns that define the American university. In addition to a sense of frugality, efficiency, and accountability, which we already saw at work previously, Protestantism helped launch the institutional innovation of the American university through four distinct mechanisms:

a) The founding of a large number of small, independent colleges beginning soon after the arrival of the first settlers was the work of Protestants who believed in the need of religious higher education; these early founded institutions open the sequence of educational institutions in the United States and are responsible for the modernizing efforts after the Civil War that led to the creation of a *graduate* school grafted on top of the college, instead of a new beginning from scratch.
b) The emphasis on utility and empiricism (vs. contemplation, speculation, and aesthetics) that distinguished the American university from its European and especially German forerunner was a direct result of the positive appreciation that Protestantism expressed for technology and practical improvement through science. It was greatly at odds with the *Wissenschafts*-purism for which any utilitarian considerations were so much water to wine.
c) American Protestantism created a new form of institution-building philanthropy (vs. the old form of poverty alleviating charity), which was

instrumental in channeling the enormous wealth of Protestant founder-capitalists and patricians into the creation of independent institutions of private higher education.

d) American Protestantism, having shunned centralized authority in favor of decentralized, locally self-governed organizations, made the same skepticism towards central government involvement in higher education legitimate; government should not interfere with the liberty and self-government of the individual.

In the Beginning: A Sprawl of Small Private Colleges

I refer here to the role of the American college, which the graduate school could not and would not replace. Recall that up until the Civil War, the four-year college was the dominant institution of American higher education. After graduating from college a person was prepared to enter the community of his (sometimes her) chosen profession. The graduate school recruited its members from the stock of these college graduates. They were individuals who could have chosen to begin practicing law, the ministry, medicine, etc. The beginning graduate student with his BA completed thus occupied a position on the status scale that was significantly higher than the beginning university student with his *Abitur*. Naturally, the college graduate would bring this expectation of entering a professional community and occupying a certain professional status with him or her when entering graduate school. While they were students, they were not in the subaltern position of apprentices, but rather junior members of a new profession called 'research.'

Without the college firmly entrenched in the institutional landscape of American education, the modernizing efforts led by Charles Eliot and his peers would likely have resulted in a very different institution, as it would have strengthened the voice of those who wanted to build the new institution from scratch. Yet, it is precisely its odd and unprecedented two-tier structure that is a key reason for the success of the American university.

Institution-Building Philanthropy

Why does the American university begin as a private institution, and why does private higher education in the United States continue to be the pace setter of research and innovation? As we will see, there were many Americans who wanted a 'national university' system based in Washington, D.C. And there were several attempts by Congress to further such designs. A simple answer to this question is: only the patrician-capitalists had the money to found universities, since a tax-poor American government lacked the funds to support institutions of higher learning on a larger scale. And being patrician-capitalists, they naturally wanted to control the institutions they funded. This is, roughly, the view Veblen held about American higher education. According to him, universities in America were held hostage by a small

elite of money and power. According to Veblen, these men involved themselves with higher learning largely as a matter of conspicuous consumption of highbrow cultural goods.[16]

The problem with this view is that outside of very particular cultural constellations, there is no necessary relation between private wealth and the support of higher education (else, higher education in many parts of the world would not be the under-funded institution it is). In the American context there are two highly contingent beliefs that make owners of private wealth become sponsors of universities: a specific brand of Protestantism and a particular view of the proper (limited) sphere of government.

Wealth, however great, rarely finds its way spontaneously to support educational institutions. The number of alternative objects on which wealth can be bestowed, the number of satisfactions which money can help increase always outrun the available resources. Before the American university-building movement led by wealthy private individuals in the second half of the 19th century, only the Catholic Church and secular governments had ever engaged in institution building in higher education. The cluster of rich American industrialists and philanthropists whose giving vastly exceeded the resources that could have come out of the public coffers created a new institutional path by breaking the historic association between centralized political or religious authority and the creation of great seats of learning. Resourceful individual citizens could henceforth be founders of higher education. But what was in those individuals' minds that made them give away vast fortunes for the improvement of higher education?

Patricians and Protestants

A number of singular facts combined to create the tradition of academic philanthropy without which the American university as we know it would have been impossible. The most important of those was clearly Protestantism.

The patricians of the Eastern seaboard cities were a unique social class for which no European equivalent exists. They were not only superbly rich and self-consciously Protestant. They also had risen to their social position within *one* generation, thus retaining much of their middle class memories and outlook. Unlike the members of the European aristocracy, who had had centuries to adjust their beliefs to their exalted position, the American patricians were financial aristocrats in democratic boots. Being 'self-made,' they were also men of practical vigor and a belief in the utilitarian value of knowledge. As a result of this unique combination of influences, 'noblesse oblige' took on a very specific meaning for them. As Andrew Carnegie, the patricians' patrician, put it in a famous note to himself in 1868: "Beyond this [$50,000 a year] never earn—make no effort to increase fortune, but spend the surplus each year for benevolent purposes." Anyone whose

thoughts are exclusively possessed by money-making, Carnegie believed, must "degrade . . . beyond hope of permanent recovery."[17]

Having done well for themselves, merchant-industrialists like the Quakers Johns Hopkins, Ezra Cornell, or Joseph Wharton (of whom more later), the Puritan patricians of Boston, or the Baptist John D. Rockefeller, were not content to do good for others. They abhorred the idea of money that would disappear without earning more money and likely end as handouts in short-term poor relief. In his essay "Wealth" (later retitled "The Gospel of Wealth"), Andrew Carnegie argued that the wealthy had to serve as the trustees of their communities. Since great social inequality was a fact of life, the goal for him could not be to equalize what was, "by nature," not equal, but for the wealthy to spend their money for the general good. "Individualism will continue, but the millionaire will be but a trustee for the poor, intrusted for a season with a great part of the increased wealth of the community, but administering it for the community far better than it could or would have done for itself."[18]

After selling his Pittsburgh steel mills to the US Steel Corporation in 1901, which resulted in a fortune of $300 million, Carnegie became a full-time philanthropist and created a foundation which left a definite mark on the emerging landscape of higher education. Carnegie also made it his duty to codify the principles of good philanthropic giving. First among these: no handouts to individuals because those will only "make beggars." Instead of giving alms to individuals, the money should be given to institutions. Second: never give all that is needed, but only what is needed to trigger the benevolence of others. The maintenance of donated buildings should always be the responsibility of the public. Finally, give to those causes that are most likely to improve the general welfare. For Carnegie, first among them were public libraries (Carnegie gave the money for over 2500 of them), universities and other educational foundations (e.g., Carnegie Institute of Technology, today "Carnegie Mellon University," Carnegie Foundation for the Advancement of Teaching), hospitals and parks, concert halls, and public swimming pools.

The importance of Protestantism (in contrast to Catholic charity) for modern philanthropy was recognized by Tocqueville:

> There are two kinds of welfare. One leads each individual, according to his means, to alleviate the evils he sees around him. This type is as old as the world; it began with human misfortune. Christianity made a divine virtue of it, and called it charity. The other, less instinctive, more reasoned, less emotional, and often more powerful, leads society to concern itself with the misfortunes of its members and is ready systematically to alleviate their sufferings. This type is borne of Protestantism and has developed only in modern societies. The first type is a private virtue; it escapes social action; the second on the contrary is produced and regulated by society.[19]

The new brand of philanthropy was further aided by the invention of a new legal institution. The role of these new institutions was described by Charles Lyell in his "Travels in North America":

> Not only is it common for rich capitalists to leave by a will a portion of their fortune towards the endowment of national institutions, but individuals during their lifetime make magnificent grants of money for the same objects. There is here no compulsory law for the equal partition of property among children, as in France, and on the other hand, no custom of entail or primogeniture, as in England, *so that the affluent feel themselves at liberty to share their wealth between their kindred and the public* (my emphasis).[20]

Last but not least, America lacked ideological movements of any strength that might have stigmatized philanthropic giving. In this, too, it differed from Europe. In the year in which John Stuart Mill took note of Lyell's remark about American philanthropy, two other political economists articulated an influential anti-philanthropic argument. In the *Communist Manifesto*, Marx and Engels chastized philanthropic giving as "nothing but" a band-aid for the wounds inflicted by capitalism, classifying as "conservative socialists" those capitalists who wanted to alleviate social problems by private giving. In this class they counted "philanthropists, humanists, improvers of the conditions of the working classes," among others.[21] (Let it be recorded, *pace* Marx, that—whatever this class of *reformists* may or may not have done for the immediate benefit of the working classes—they have created an unprecedented, one might even say, *revolutionary*, new institution: the American university.) Certainly, in an ideological climate where labor unions and labor parties adopted the anti-philanthropic rhetoric of thinkers like Marx and Engels, the legitimacy of private giving on a large scale was much harder to establish.

Protestantism and the Habit of Self-Government

So far I have identified specific beliefs and expectations (efficiency, philanthropy, limited government), which have entered as determinants of the specific shape of the institution 'university' in the United States. In these cases, certain beliefs were evoked more or less explicitly to legitimize one institutional option over another. Often, however, the beliefs that are most effective in shaping an institution are those that do their work silently and inconspicuously. To the casual observer (as well as to the participants), it then seems that contingent institution-building actions are "natural," "normal," or simply "the only way," when, in fact, they are the result of beliefs that are shared only within certain local bounds. This is especially the case when a new institution is shaped by long-established beliefs and practices.

Later, we will have occasion to see the standards derived from the business world at work in the administration of the graduate school. We also see an instance of the tacit work of shared beliefs in Gilman's explanation for the department-based governance structure that evolved at Johns Hopkins University, when he intimated that the Hopkins professors 'imported' from the Quakers certain habits of holding meetings. Apparently, the existence of such shared norms allowed the Hopkins professors to cooperate effectively even in the absence of formal rules: ". . . we did not even draw up a scheme or programme for the government of ourselves, our associates and successors."[22] Despite this informality, a distinct form of cooperative, department-based governance emerged: "Every head of a department was allowed the utmost freedom in its development, subject only to such control as was necessary for harmonious cooperation. He could select his own assistants, choose his own books and apparatus, devise his own plans of study,—always provided that he worked in concord with his fellows."[23] The 'concord with his fellows' is precisely what the German chair-holder did not have to strive for. Where the power of the American professor was checked by the need for cooperation with his fellow professors, the German professor reigned supreme.

If those who organized the new institution were able to develop distinct forms of departmental self-government almost 'instinctively,' it was because American professors were enacting cultural scripts in the graduate school which they had learned and acquired in two other American institutions, namely the local sect and the local community, where the "habit of self-government" reigned. By its nature, the university department was ideal soil on which to plant and apply this habit. Thus a new and distinct organizational structure could be developed without much deliberate thought and planning—merely by extending taken-for-granted beliefs and practices from one setting to another. This explains Veysey's observation that despite a puzzling "lack of self-consciousness that was displayed over the new organization," a distinctly American form of academic governance emerged.[24]

Protestantism as a Bridgehead for the New Sciences

Smith's criticism of Oxford applied to the state of the university throughout much of Europe. As dogmatic recitation and drill fell out of favor, Protestantism proved an allied force. Luther's uncoupling Christian religion from Rome meant, among many other things, that intellectual inquiry could for the first time take place outside the context of the Catholic University. Adam Smith had already pointed to the healthy competition with which the new, small Protestant universities presented the old, dogmatic, and wealthy Catholic sister institutions. But as Thomas Albert Howard shows in his comprehensive study, the Reformation not only infused the university movement with new blood, adding dozens of new—albeit small—universities to the roster (including the University of Wittenberg, where Martin Luther and

Shakespeare's Prince Hamlet) studied. It also opened a path for the new spirit of empirically based research to enter the university. Unlike their Catholic peers, Protestant scholars were keen on adopting the latest scientific innovations, many of which were fought tooth and nail by the Catholic Church. As members of the highest-ranking faculty—theology—Protestant scholars were much freer to introduce new ideas or methods than their colleagues in the "philosophical" sciences, which still occupied last place in the prestige hierarchy. For example, professors who researched Church history or philological problems of scripture no longer had to bend to established doctrine. In short: Protestantism became a powerful bridgehead of enlightenment into the university. As Howard shows, the result was that the boundary between theology and the neighboring 'historical-cultural sciences' became increasingly fuzzy.[25]

Protestantism and Civil Society

There are four distinct mechanisms through which Protestantism, in its American, decentralized, sectarian garb, influenced the emergence and institutionalization of the American university:

a) The founding of many small independent private colleges by the numerous Protestant denominations and sects, all of which wanted to secure their following by means of well-trained ministers, preempted the possibility of creating universities 'from scratch.' The result would undoubtedly have been more elegant than the unwieldy two-tier undergraduate/graduate structure, but not necessarily better adapted to the way humans learn.
b) The positive view of applied research ensured that the applied sciences and technology would have an undisputed place in the university from the start.
c) The channeling of great wealth into educational institution building followed from the Protestant view of education and knowledge as a prime tool for social uplift, and because Protestant businessmen preferred institution-building philanthropy over 'money wasting' charity.
   Bildung and *Wissenschaft*, by contrast, promulgated a set of beliefs that included a negative view of applied research, made individual and collective self-perfection (not social equality or social improvement) the goal of education and learning, and favored centralized over self-organized, and 'solitary' over cooperative, organizational arrangements.
d) The habit of self-government and self-organization practiced and internalized by the members of self-organized local sects mitigated against the more hierarchical internal structure of the German university; it also mitigated against the idea that higher education and research by their very nature had to be organized and controlled by the state.

Notes

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20 Quoted in Michael Walzer's, *Spheres of Justice: A Defense of Pluralism and Equality* (New York: Basic Books, 2008), 126.
21 *Karl Marx / Friedrich Engels: Manifest der Kommunistischen Partei 1848* (Münich, Germany: GRIN Verlag, 2003), 54. In full the two count "economists, philanthropers, humanitarians, reformers of the condition of the working classes, organizers of charity, abolitionists of animal cruelty, temperance organizers, and reformers of the most colorful variety" among the true enemies of the working class (my translation).
22 Daniel Coit Gilman, *The Launching of A University, and Other Papers: A Sheaf of Remembrances (1906)* (Ithaca, NY: Cornell University Library, 2009), 49.
23 Ibid. See also: Hawkins, *Pioneer*, 113.
24 Laurence R. Veysey, *The Emergence of the American University* (Chicago, IL: University of Chicago Press, 1965), 268.
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8 Centralizers and Localizers

One of the deepest disagreements among the founders of the new university on both sides of the Atlantic concerned the role of the state. In both countries, centralizers—advocates of a strong government role vis-à-vis the university—faced off against localizers—for whom autonomy meant independence from government. In both countries, the localizers were in the minority, including, as we saw, Humboldt in Germany and, as we will see, Eliot in the US. In Germany, the centralizers were favored by the prevailing philosophical winds coming from the idealists, who saw the state as the highest expression of human reason and rationality. Their reign may have reached its apex in the rule of Friedrich Althoff, something of a superminister of higher education whose iron-fist rule caught the ire of leading academics like Max Weber. In the United States the localizers also were in the minority, but here they were favored by beliefs in limited government enshrined in the Constitution.

In this chapter I consider the historical trajectories of the American centralizers' campaign for a national university system, the ultimate failure of which stands in an informative contrast to the German centralizers' "System Althoff," which arguably brought German science to the height of global fame, but also diminished the independence of its individual institutions and professors. In a later chapter ("From State to Civil Society"), I return to this issue to consider the institutional design implications of these different trajectories.

The Campaign for a National American University

The idea of a centralized system of American higher education built around a National University located in Washington D.C., at the seat of government, pre- and post-dated by many decades Ticknor's pioneering studies of the German university. The National University idea had a proud pedigree. At one time or another, most of the American founders had entertained it. In 1795 George Washington had written of the "indescribable regret" with which he saw "the youth of the United States migrating to foreign countries, in order to acquire the higher branches of erudition, and to obtain a knowledge of the sciences."[1] He decided that his shares of the Potomac Company,

which Congress had given him in appreciation of his services as first President, should serve as funds for such a university.

Following Washington's initiative, support for a national university waxed and waned. In 1806 Thomas Jefferson, as third United States President, supported a bill for the establishment of a national university in Washington and even recommended a constitutional amendment to legalize federal support of a national university. Yet, being concerned to keep government limited, he did so not without hesitations: "private enterprise . . . manages so much better all the concerns to which it is equal; but a public institution can alone supply those sciences which, though rarely called for, are yet necessary to complete the circle, all the parts of which contribute to the improvement of the country, and some of them to its preservation."[2] Significantly, however, Jefferson, who among the early American presidents was most concretely concerned with education, later seems to have dropped the idea as too inviting of charges of government meddling, opting to lead by practical example (by building the University of Virginia) rather than legislative fiat.[3]

In mid-century the project was taken up again by advocates of public education who dreamed of constructing a seamless system of state education, from grammar school to a government funded national university. Their main voice, the *American Journal of Education*, edited by public school advocate Henry Barnard, published pamphlets and speeches coming from all states declaring in its favor. At various points the supporters of the idea presented bills in its favor in Congress. And while the Morrill Act of 1862 (also known as the land-grant act), offering government aid to institutions providing agricultural and mechanical instruction, was the first concrete step of the federal government in the area of higher education, full success escaped the 'national university' advocates.[4] A final showdown occurred after the Civil War, when the American university system assumed its final form when Eliot successfully led the opposition to the national university project.

With the pace of academic institution building quickening, the struggle over the plan for a national university came to a head in the period following the Civil War. Its main advocate was now John W. Hoyt, first president of the University of Wyoming, who was backed by the National Teachers' Association (later National Education Association), the U.S. Commissioner of Education, and "public school men" throughout the country. The main arguments in favor of the national university were:

–comprehensiveness of coverage: only a government-supported institution could offer the "best possible facilities in every department of learning;"[5]
–quality control in educating the teacher's teachers: "to assist existing institutions by the preparation of teachers and officers and by the raising of standards of scholarship";[6]
–equal access: attendance at the national university was to be free of charge, or at a nominal fee only, controlled by a quota system whereby each state would send its top students to the university;

–funding: a key argument in all proposals was that only the federal government had the resources to create and maintain such an institution.

To administer the university, Hoyt envisioned an intricate administrative arrangement. The President of the United States would appoint the university president, with consent of Congress, at the same salary as the Chief Justice of the Supreme Court. The university's board of regents would consist of five appointees of the president of the university, one representative from each state (selected by the governor, subject to consent by the state's chief justice and its superintendent of public instruction), plus 13 ex officio members, including the U.S. chief justice and the president of the NEA. The ties between university and government would have been tight indeed. Earlier, Benjamin Rush had even suggested limiting federal government office to all but university graduates as an incentive to entice them to take up graduate studies at the national university.[7]

It is hard to judge in hindsight how close the supporters of the national university idea ever came to its realization. At one NEA meeting the national university proposal was overwhelmingly supported. On several occasions bills had been introduced proposing measures towards its founding which failed by only a few votes in Congress. The most ardent supporters of the project were the country's "public school men," i.e., school superintendents and administrators, who would have greatly extended their area of operation. By contrast, support among other groups vacillated. Many were willing to lend their mouth, but few their money. Most likely, it was the booming system of privately supported universities and their quick ascent to prestige and influence in the public mind that dried up the wells of the national university movement. But by whatever combination of causes the national university project was defeated, it is clear that the choice between centralized or decentralized, government-controlled or private system of higher education represented a key critical juncture in the development of American educational institutions. As Martin Trow so eloquently put it:

> The national university, for all it could have contributed to our intellectual and cultural life in the nineteenth century, would almost certainly have prevented the emergence of that big, sprawling, unregulated system of higher education that developed in its absence, a system I believe, in the American context, to be infinitely preferable to the tidier system of smaller size and higher uniform standards that would have resulted from the creation of the University of the United States.[8]

American Exceptionalism in Action: Liberty Through Limited Government

The national university movement showed that attempts to make higher education a more or less exclusive domain of government were by no

means absent from American soil. In fact, many of the enthusiasts of the German university became ardent supporters of the idea of government-controlled and government-organized higher education. One of them, Benjamin Gould, a Göttingen graduate, believed that universities, by their very nature, could not be self-sustaining and needed government support: "Is there one of our colleges that is self sustaining? Shall we apply the doctrines of trade and barter to human souls? Are we to reason about mind and thought and culture and research, as we do about bales of cotton and chests of indigo?"[9] This rhetoric, aimed at rejecting the idea of private universities by juxtaposing the human soul to the netherworld of trade and barter, is readily recognized (by supporters and opponents) as part of the standard justification for a strong government hand in higher education. In the United States, this rhetoric might well have succeeded, too, had it not been for the counterweight provided by the idea of limited government, which in Germany had not caught on beyond the advocacy provided by Wilhelm von Humboldt in the "Limits. . . ." In the United States, by contrast, the idea had become part of established legal philosophy. The first successful assertion of this idea as a valid principle in higher education came in 1819 when the United States Supreme Court sided with the trustees of Dartmouth College in their fight against the State of New Hampshire, who sought to change the independent college into a state-controlled institution. The Supreme Court rejected that attempt by maintaining the right of private citizens to organize education:

> That education is an object of national concern, and a proper subject of legislation, all admit. That there may be an institution founded by government, and placed entirely under its immediate control, the officers of which would be public officers, amenable exclusively to government, none will deny. But is Dartmouth College such an institution? Is education altogether in the hands of government? Does every teacher of youth become a public officer, and do donations for the purpose of education necessarily become public property . . . ?[10]

In a similar vein, university founders, such as Henry P. Tappan, called upon Americans to disprove "that monarchies alone can establish Universities: let us prove to the world that we can voluntarily create them. . . ."[11] Tappan insisted that "universities are not the natural appendages or nurselings of monarchies." "In our country we desire our Universities to be under the control neither of the Government, nor of any religious denomination. . . . Hence, it is required that they be established by private munificence, and be placed under a corporation of private individuals."[12]

The fear that an institution of education might be converted into "a machine entirely subservient to the will of government" also animated Charles N. Eliot in his fight against the national university. For Eliot, it was the "special destiny" of the people of the United States "to try and work out . . . the

problem of free institutions for a heterogeneous, rich, multitudinous population spread over a vast territory:"

> [W]e indeed want to breed scholars . . . but first of all we want to breed a race of independent, self-reliant freemen capable of helping, guiding and governing themselves. Now the habit of being helped by the government, even if it be to things good in themselves—to churches, universities and railroads—is a most insidious and irresistible enemy of republicanism; for the very essence of republicanism is self-reliance.[13]

Eliot argued that a national university was too bureaucratic and unwieldy, that free tuition would be an example of indiscriminate charity, and that it would make higher education subject to all the evils of the spoils system. Government "is not the guardian of the nation's morals . . . and is not responsible for the national character." Since Eliot was president of Harvard, we may assume that his stance against the national university was also motivated by less high-minded reasons, especially the desire to keep Harvard free of government control as well as free from competition by a large, government funded university in Washington D.C. But to the extent his views prevailed, they likely did so because they were consistent with ideas and constitutional principles, with which Americans (but not Germans or continental Europeans) resonated.

Nevertheless, it is fair to say that the principled opponents of the national university idea were few and far between. True, it would have been hard to rouse Americans to higher taxes for the purpose of such a project. And the private American colleges had the advantage of tradition and inertia. But as an idea, a large government-supported and government-controlled university was obviously popular. As I will show in more detail later (see "From State to Civil Society"), the principled rejection of a government-controlled university was an intellectual attitude shared only by a minority of Americans.

Meanwhile in Germany: The Success of Friedrich Althoff

The damage that even an effective, and sometimes especially an effective, central government authority can visit upon higher education is palpable in the story surrounding Friedrich Althoff—a story that provides us with an illuminating contrast to the national university project. The two main protagonists of the story are Althoff and Max Weber, one of the most visible German academics of his day and an outspoken critic of Prussia's and Althoff's willful governing of the universities (one of the few scholars who could publicly criticize the minister without fear of repercussions). Althoff's 25 year career in the ministry of Kultus runs parallel to that of Charles Eliot, equal to Althoff in influence, albeit not in tendency and result.

Edward Shils has ably reconstructed the Weber-Althoff conflict. From 1908–1918, Max Weber, then easily the most influential scholar in Germany,

engaged in public criticism of what he called the "Althoff system."[14] Althoff entered the Prussian ministry of culture in 1881, and served as minister from 1897–1907. During his reign, Althoff's willfulness and arbitrary interference in university government increased steadily, motivated in part by the suspicion of universities as a "subversive force" in the state.

Friedrich Althoff oversaw higher education in Prussia, Germany's biggest state at the time of its greatest global success. During his time in office, Althoff emerged as Germany's most formidable but also most feared higher education leader. He was responsible for the dramatically increased support for research in science and medicine and instrumental in founding Germany's first national research foundation, the Kaiser-Wilhelm-Gesellschaft (later Max Planck Gesellschaft). The flurry of 17 Nobel prizes reaped by German researchers in medicine and science during 1900–1919 is also often attributed to his leadership.[15] But Althoff's power stood in sharp contrast to the weak role played by university presidents at German universities and the subservient status in which he kept the faculty. In particular in matters of professorial appointments, he believed that political ("*staatsmaennische*") criteria were of equal and sometimes greater importance than academic ones. Hence such decisions could not be left to the faculty or even the universities.[16]

In contrast to Althoff's powers at the ministerial level, which seemed to have had few bounds, the power of the rectors or chancellors at the individual universities was very limited. They were beholden on the one hand to the faculty who had elected them, and, on the other, to the minister on whose budgetary-financial and appointment authority they depended. By the time Althoff held the reigns, the brief period when German university leaders like Humboldt and his successor Fichte could act as strong institution-level executive presidents was long in the past. But even though figures like Humboldt stand out in historical perspective as singular and singularly influential individuals, Humboldt always operated in cooperation with an informal group of respected and equally formidable colleagues like Schleiermacher, Suevern, and von Beyme, whose judgment he respected and whose advice he actively sought and used. By contrast, Althoff had no peers. He was for Prussian higher education what Bismarck had been for Prussian politics—a cunning fox and autocrat who would brook no dissent.

Weber Contra Althoff

During his three-month visit to the United States in 1904, Weber learned enough about the American education system to serve him as a reference point in later analyses—most importantly in his "Science as a Vocation." During his travels, Weber met with well-known American academics, like William James at Harvard, who had been a student of Wilhelm Wundt in Leipzig and, like Weber, had been keenly interested in the role of religion in everyday life.[17] These meetings seem to have furnished him with the evidence

he drew on in his several incisive comments about German–American institutional differences that are strewn through his work. But perhaps the most important use of his American observations was in the ammunition they gave him in his campaign against the "Althoff system."

According to Shils, Weber "thought that the long and artful ascendancy of Bismarck had had disastrous consequences for Germany because he had crushed the incipient civility which had existed and never permitted any new civility to grow up again."[18] Althoff was Bismarck's mirror image in the realm of higher education. As minister of the Kultus (which included religious affairs and education), he oversaw all of Prussia's universities. He made all final decisions about hiring and firing, as well as budget and finances. Like Bismarck, Althoff was a master politician who "held all the strings in his hand, who dazzled, outwitted, seduced and corrupted the academic profession."[19] He was in charge of the universities at a time when outstanding scholars like Robert Michels, Werner Sombart, and Georg Simmel sought university appointments and was more or less responsible for the fact that they did not get any. When Michels did not get an appointment, the fact that he did not baptize his children was a key factor held against him.[20] On the other hand, less accomplished researchers were easily appointed if their work fit with the minister's agenda. A well-known case was Ludwig Bernhard, who had gained Althoff's favor because of a tendentious analysis of polish immigration to East Germany.

Another example of Althoff's autocratic rule was his demand that professors not enter into negotiations with another university without notifying the ministry.[21] Weber complained that Althoff's rule would produce academics who think of themselves as "a 'creature' of the ministerial officials in power,"[22] something that was going to "prevent the development of persons of genuine character."[23] In newspaper commentaries in Germany's leading *Frankfurter Zeitung*, Weber charged that "the number of compliant mediocrities who are much sought after because of their compliancy is growing."[24] Weber concluded that one

> . . . ought not to speak of the existence of 'the freedom of science and teaching' in Germany. . . . The fact is that the alleged academic freedom is obviously bound up with the espousal of certain views which are politically acceptable. . . .[25]

Weber's criticism of the Althoff system grew sharper upon his return from his American study-tour, where he had witnessed the very different governance structures of the American university, including the large degree of their financial independence. Confirming Humboldt's fear a century earlier, he saw the German universities' financial dependence on the government as the key problem: "All this happens just because the [German] universities are supported financially and accorded privileges by the state."[26]

Weber's discovery that in the United States every university had a strong, executive style president contrasted sharply with the Prussian government's stance, which tried to turn universities into institutions of the state, hamstringing the leadership of university presidents through myriad political-bureaucratic rules. The most important decisions that would affect a university's life—money and positions—were *not* made by the university president, but by the minister.

The result was that in Germany the individual universities, being governed in all important respects from one central command post, tended to look more like local franchises of a uniform, powerful government organization. By contrast, in the US, universities, led by energetic executives at the institutional level, were able to direct their institutions with much greater vigor and carve out distinct profiles for them. Under no pressure to look like one another, presidents and their institutions could follow their own intuition—often developed in consultation with their peers at other institutions.

Althoff's almost three decades in the ministry of Kultus invites comparisons on the American side to the career of Charles Eliot, whose 40 years at the helm of Harvard rival Althoff's influence in duration and depth. Eliot left the Harvard presidency after a stunning four decade run, his respect and dignity intact. In Louis Menand's judgment, he became "identified with almost everything that distinguishes the modern research university from the antebellum college."[27] Althoff, by contrast, had turned Weber and many other leading academics against him during his long reign of overseeing the Prussian universities, during which he distinguished himself mostly through brazen acts of Machiavellian cunning, capricious rule, and favoritism. Although his achievements were many, they arguably came "at too high a price: the price of academic freedom."[28]

The reason for the different legacies of Eliot and Althoff can be easily found in a single institutional difference: the fact that in the United States universities are governed by executive presidents at the organizational level or, as Weber put it, "countless Althoffs exist alongside each other . . . ."[29] The full implications of this difference—one versus many Althoffs—will become obvious later when we consider the effects of the American style executive president.

Notes

1 Quoted in: Herbert Baxter Adams, *Thomas Jefferson and the University of Virginia* (Washington, DC: Government Printing, 1888), 43.
2 James Bryant Conant, *Thomas Jefferson and the Development of American Public Education* (Berkeley, CA: University of California Press, 1962), 24.
3 Ibid. 72.
4 Laurence R. Veysey, *The Emergence of the American University* (Chicago, IL: University of Chicago Press, 1965), 15. Cornell and the Massachusetts Institute of Technology are two of the many universities owing their founding to the land-grant act.

5 David Madsen, *The National University, Enduring Dream of the USA* (Detroit, IL: Wayne State University Press, 1966), 69.
6 Ibid.
7 Richard J. Storr, *The Beginnings of Graduate Education in America* (Chicago, IL: University of Chicago Press, 1953), 8.
8 Martin Trow, 'Aspects of Diversity in American Higher Education', in *On the Making of Americans: Essays in Honor of David Riesman*, ed. by David Riesman and others (Philadelphia: University of Pennsylvania Press, 1979), 275.
9 Benjamin A. Gould, 'An American University', *The American Journal of Education and College Review*, II (1856), 283.
10 U.S. Supreme Court in Dartmouth College vs. Woodward, reprinted in: Richard Hofstadter and Wilson Smith, *American Higher Education: A Documentary History* (Chicago, IL: University of Chicago Press, 1961).
11 Henry Philip Tappan, *University Education* (Ann Arbor, MI: Scholarly Publishing Office, University of Michigan Library, 2006), 98–99.
12 Ibid. 99.
13 Hugh Hawkins, *Between Harvard and America; the Educational Leadership of Charles W. Eliot* (Cambridge, MA: Oxford University Press, 1972), 154.
14 Max Weber, *Max Weber on Universities: The Power of the State and the Dignity of the Academic Calling in Imperial Germany*, ed. by Edward Shils (Chicago, IL: University of Chicago Press, 1974).
15 Jurgen G. Backhaus, 'The University as an Economic Institution: The Political Economy of the Althoff System', *Journal of Economic Studies*, 20 (1993), 8–29.
16 Franz Schnabel, 'Friedrich Althoff', in *Neue Deutsche Biographie (NDB)* (Berlin: Duncker & Humblot, 1953), 222–224.
17 Lawrence A. Scaff, *Max Weber in America* (Princeton, NJ: Princeton University Press, 2011).
18 Weber, *Max Weber on Universities*, 1.
19 Ibid. 2.
20 Ibid. 17.
21 Ibid. 33.
22 Ibid. 44.
23 Ibid. 20.
24 Ibid. 5.
25 Ibid. 17.
26 Ibid. 20.
27 Louis Menand, *The Marketplace of Ideas: Reform and Resistance in the American University* (New York: W. W. Norton & Company, 2010), 44.
28 Kurt R. Leube, 'How Much State University Education in a Free Society? Some Remarks on the Althoff System', *Journal of Economic Studies*, 20 (1993), 169.
29 Weber, *Max Weber on Universities*, 29.

9 Purity or Utility? The Business School in the Academy

A problem facing higher education everywhere is the relationship between liberal and professional or "pure" and "applied" learning. Universities shun vocationalism, but they cannot refuse all ties to the world of practice. In fact, the purpose of the medieval university was to train the members of the three core professions of the day: clergy, lawyers, and doctors. The German university, by contrast, tried to jettison all practical or polytechnical application, insisting on the purity of *Wissenschaft*, pursued in solitude and freedom. Any attempt to answer to the practical needs of society or the marketplace would inevitably compromise and corrupt the university's high scholarly mission.[1] Thus the German university responded to the growing business community's quest for higher education with doubt and hostility.

The American university took a different approach. By the time the idea of a research-focused graduate school entered the American discussion, many colleges already included professional schools of law and medicine in their portfolios. Harvard, for example, established a medical school in 1782 and a law school in 1817. The establishment of these separate schools was more the result of a pull by the lawyers and physicians than a push from the philosophers and scientists. Lawyers and physicians wanted to control the education of their successors. By subsuming all relevant instruction under the roof of a separate and dedicated institution, they were able to exert their influence more effectively than through dealing with the college's professoriate working in sundry different fields.

But then medicine and law were—next to the clergy—society's most respected professions, characterized by public service orientation, a distinct body of knowledge, and self-government. So when the industrial and organizational revolution created a market for a new occupational type—professional managers—German and American universities found themselves uncertain how to respond. In both countries strong voices warned that the lowly and selfish pursuits of business had no business in the university. Others argued that the university's engagement with the world should include the world of business. But while the anti-business forces succeeded in Germany, the American university took a different path.

Engaging with the World: Two Views of Business in the Academy

The two positions—purity versus utility—found their most visible spokesmen in the persons of the formidable Robert M. Hutchins on the one hand and A. N. Whitehead on the other. Hutchins was the young, energetic president of the University of Chicago who fought valiantly against the admission of business to the ranks of an academic subject. Ridiculing the "service-station–concept" of the university, he argued that the university was to cultivate the intellect and provide space for the life of the mind. Hutchins wanted the academic experience to represent a 'moratorium' from the hustle and bustle of the marketplace. In addition, he challenged the status of business as a profession. A profession was defined by its public service ethos. Business, by contrast, was about the pursuit of self-interest.

Opposite Hutchins argued A. N. Whitehead, who was later joined by John Dewey. Whitehead supported the project of the business schools because the university had to combine scholarship with action. Academic learning, when separated from society, would inevitably grow stale and sterile. "Celibacy does not suit a university. It must mate itself with action."[2] To Whitehead the business school was a prime example of a positive interaction between the university and the world. To understand what goes on in business, he argued, a person needed to consider the range of human motives, not just economics.[3]

Dewey, too, defended the inclusion of professional schools on the grounds of their connectedness to "experience." Only if it admitted real life problems to academic study, and welcomed this segment of human experience into the university, could the university hope to achieve anything useful in either research or education. Dewey wanted academia to take its place in the midst of experience, where it should be organized in the spirit of the experimental method. And democracy was, after all, the greatest experiment of them all.[4] To be cut off from the stream of experience that constitutes business would be as disastrous for the development of our understanding of society as being cut off from the dealings of government would be for political science.

In Hutchins's spirited rejoinder, he replied that "[t]he danger of the university is not celibacy, but polygamy." And: ". . . theories of the disciplines should take precedence over the practices of a vocation."[5] To give the university a firm foothold in the liberal tradition of learning, Hutchins invoked president Eliot's idea of a "six foot shelf" of great books that should form the curricular basis of the American university. Dewey found the Great Books idea "laughable." Learning should take place in the midst of experience, not in intellectual segregation from it. Hutchins's defense of the purist position was strongly reminiscent of the stance that the German founders had taken a century earlier. The university stood to gain nothing from the admission of subjects like business. But while the proponents of *Wissenschaft* purity

won out in Germany, they lost in the United States, where pragmatists like Dewey and Whitehead prevailed.

The Organizational Revolution and the Rise of the American Business School

As Alfred Chandler has noted, the second half of the 19th century witnessed a great rise in the number, size, and power of organizations of many diverse kinds, producing, among other novel institutions, the emergence of the "modern business enterprise" and the corporate form, which freed the use of capital from the limits of personal wealth.[6] With it came the rise of a new class of salaried administrators. Before the organizational revolution, there was no such thing as "management." There were salesmen, bookkeepers, merchants, and craftsmen, but no function that would encompass them all. The new class came to be known as the "general manager," and their training ground became the business school. Just as well known is their preferred academic credential: the Master of Business Administration (MBA).

The first schools of the new type, the Wharton School of Finance and Commerce, founded in 1881 by the Philadelphia Quaker and industrialist Joseph Wharton (1826–1906) and the Amos Tuck School of Administration and Finance at Dartmouth, founded by the banker Edward Tuck (1857–1942), were quickly followed by similar establishments at the University of Chicago and by universities in Madison, Ann Arbor, Michigan, Berkeley, and others. As detailed in Steven Sass's history of the Wharton School, Wharton's founding act was pioneering.[7] Wharton not only donated $100,000 to the founding of the school, but also drew up the plan for its operation. Wharton's school was to be an "undergraduate" part of the University of Pennsylvania in Philadelphia, combining "vocational" subjects like accounting with liberal arts subjects such as history, philosophy, and languages. The product of Wharton's new school was going to be a well-rounded person who would be equally at home in metallurgy, the stock market, and European history. Joseph Wharton involved himself in every detail of the new school, including the proper methods of teaching and learning: "Lazy or incompetent students must be dismissed. (. . .) The general tendency of instruction should be such as to inculcate and impress upon the students . . . the immorality and practical inexpediency of seeking to acquire wealth by winning from another rather than by earning it through some sort of service to one's fellow-men."[8]

Joseph Wharton, an active Quaker, epitomized the transition from merchant capitalism to managerial capitalism. Nothing less than "mastery" of all aspects of a business was satisfactory to him. Enamored by the aristocratic ring of the term, he chose for himself the description "ironmaster." With the growth of his businesses, "mastery" could be maintained only through a deliberate division of labor. At his Bethlehem Steel Company, Wharton ensured control through a hierarchy of managers, which could

soon be found in most big businesses. Convinced of the potential blessings science could bring to business, Wharton was also one of the first to rely on business consultants for advice. In 1898 Wharton retained an upper class Philadelphian named Frederick W. Taylor, who had gained some renown for his work organization experiments at Bethlehem, as his first business consultant.

Once Wharton had made up his mind about the need for a new school to train the new masters of business, he approached the trustees of the University of Pennsylvania in a letter addressed "to the Trustees of the University of Pennsylvania:"

> The general conviction that college education did little toward fitting for the actual duties of life any but those who purposed to become lawyers, doctors, or clergymen, brought about the creation of many excellent technical and scientific schools, whose work is enriching the country with a host of cultivated minds prepared to overcome all sorts of difficulties in the world of matter.
>
> Those schools [. . .] base their instruction upon the broad principles deduced from all human knowledge, and ground in science, as well as in art, pupils who are thereby fitted both to practice what they have learned and to become themselves teachers and discoverers. [. . .] An opportunity for good seems here to exist, and fairly comparable with that so largely and profitably availed of by the technical and scientific Schools.
>
> These considerations, joined to the belief that one of the existing great Universities, rather than an institution of lower rank or a new independent establishment, should lead in the attempt to supply this important deficiency in our present system of education, have led to the suggestion of the project herewith submitted for the establishment of a School of Finance and Economy as a Department of the University which you now control, and which seems well suited to undertake a task so accordant with its general aims. In order that the University may not, by undertaking it, assume a pecuniary burden, I hereby propose to endow the school with the securities below named, amounting to $100,000, and yielding more than $6,000 annual interest. [. . .] To commemorate a family name which has been honorably borne in this community since the foundation of the city, I desire that the School shall be called 'The Wharton School of Finance and Economy.'[9]

Wharton undertook his initiative only a few years after Ezra Cornell and Johns Hopkins, two other Quakers, had made their moves to found universities. Wharton believed that the old training model, the apprenticeship, was obsolete, and that what the 'scientific schools' (which by then existed at many colleges and universities) did for the trades, the Wharton school should do for commerce. Wharton also hoped that improved education

of businessmen would allow the latter to make a greater contribution to society. Wharton wished the new school to be part of a great university, not a trade school, and not a stand-alone, independent school. Soon after Wharton's—as yet isolated—step, the American Bankers' Association came to support "the founding of schools of finance and economy for the business training of our children, to be established in connection with the universities and colleges of the land upon . . . the Wharton plan."[10] But despite backing from the banking association and despite his occasional campaigning in favor of the new institution, it took another 20 years before the new institution became firmly established as part of the American university. This happened when Harvard joined the fray in 1908 and established the first *graduate level* business school—the "Harvard Graduate School of Business Administration." Harvard's move clinched the making of "business administration" into a legitimate and obligatory part of the academic landscape of any major university.

Legitimizing the Business School: The Law School as Precedent

Yet, the new institution's eventual success was by no means a *fait accompli*. In fact, the creation of the Harvard Business School "met with strong opposition on the assumption that it was to be a mere school of successful money-making."[11] Opposition and skepticism came not only from scholars concerned that the mission of the university might be blurred by the addition of a field of questionable academic standing. It also came from businessmen who doubted that spending two years in academia was necessary to make a successful entrepreneur and business leader. "The disdain which much of the academic world felt for trade was matched in the business world by an attitude of rather amused tolerance toward the impractical theorists of collegiate halls."[12] Even those who appreciated the value of education in general were skeptical that something like management could become the subject of systematic instruction. Charles E. Perkins, a self-made railroad manager, wrote to Henry L. Higginson, a Boston banker:

> [Y]ou might teach hotel keeping at Cambridge [i.e., Harvard], but you can't teach railroading, because it involves too much. You can teach branches of it, as you do now—engineering and drawing, for example. But the commercial part of it, how to save part of every dollar you get in and how to get in all you can—that you cannot teach at school.[13]

The doubts about the scholarly status of business had been the reason why Harvard had sat back for 20 years while other universities moved to include business as a subject of academic instruction. But the changing economic conditions of the country, especially the fact that many college graduates increasingly went into business, instead of law, medicine, and the

ministry, persuaded many that business had irreversibly entered the age of the professional manager—and that the university could not close its eyes to the need to prepare them.

To put the new institution on firm foundations, acceptance and support had to be secured from two quarters: the faculty of the traditional disciplines, who would be the colleagues of those professors teaching in business schools, and the members of the business community, whose moral and financial backing was needed. The business community had to be persuaded that spending time in a business school was useful; the professors needed to be convinced that business schools could, indeed, contribute to the advancement of knowledge. But how to steer a course between utility and research where one would not dominate the other? Such had, for example, been the case in 1898 at Columbia University, when it was approached by the Chamber of Commerce of New York State to set up a business program. The overture came to naught because "students of quality and faculty of competence" could not be recruited for a subject called "business." For the Columbia faculty, the "real obligation was graduate work and research rather than professional teaching."[14]

The breakthrough to a new model was the brainchild of a graduate of Harvard Law School and Professor of Government at Harvard, A. Lawrence Lowell, who succeeded Charles Eliot as president of Harvard. Writing to his colleague, the economist Frank Taussig, who was in charge of developing the plans for the Harvard Business School, Lowell came up with a path-breaking idea:

> I think we could learn a great deal from the most successful of our professional schools; that is, the Law School. Its success is, I think, due very largely to the fact that it takes men without any previous requirements, save a liberal education in any field, and then teaches them law, not jurisprudence; and it has been coming across my mind that if we are to have a successful school of business we must do the same thing. We must take them without regard to what they have studied in college, and we must teach them business, not political economy. . . . Could we create a school which could teach certain branches of business—let us say railroading and banking—on such a basis?[15]

Modeling the training of business managers on that of lawyers was a stroke of institution-founding genius, which showed how to reconcile utility and research. In addition, making it a *graduate* school also securely defined the school's status as a *professional* school, on a par with its more venerable predecessors, law and medicine. In 1908 Harvard Business School opened its doors under its first dean, Edwin F. Gay, an economist with a PhD from the University of Berlin. Dean Gay introduced a course on Industrial Organization and Factory Management. Gay himself gave the introductory background lectures on the industrial revolution; for the rest he relied on outside

lecturers. One of these lecturers was F.W. Taylor, who reported about his experiments in work planning, inventory control, and time studies at Bethlehem and the Philadelphia Midvale plant.

Gay also spent time experimenting with an appropriate way of teaching business. The method he came to favor was, again, borrowed from the teaching technique of law schools, which taught law by way of analyzing actual *cases* and court opinions. The goal of the case method, as it came to be called, was to "teach" through studying scenarios of actual cases and problems, which had to be researched at the point of origin. At the time it was taken, the decision in favor of the "case study method" was very risky, since all teaching materials then available were vocational and trade materials. But in the course of the ensuing decades, the research dividends began to pour in. By focusing attention on the circumstances in which business managers made decisions, business schools hatched, in effect, a new science, which galvanized the thinking of the increasing number of academics working in business schools. As a result, new fields like "organizational studies" gained influence, and business schools became, as Charles Perrow has noted, for the first time, exporters of theory and knowledge into other, more established fields.[16]

This record of educational, organizational, and scientific achievement justifies calling the American business school a novel institution. The business school has introduced a subject matter into higher education that was, according to the 19th century understanding of the university, never to become honored by academic standing. It has done so against the resistance of professors who turned their noses up at an oxymoron called "business education." But while the advocates of academic purity were defeated (or persuaded) in America, things took a different turn in Germany.

Meanwhile in Germany: The *Handelshochschule* and Its Failure

The story of German business education quite literally starts with Gustav von Mevissen, the Rhenish industrialist and politician, who in 1879 proposed the founding of a school for business and commerce, a *Handelshochschule*, for the education of businessmen.[17] Mevissen's plan would have produced a business school surprisingly similar to the one Wharton built two years later in Philadelphia. Mevissen wanted the *Handelshochschule* to be academic in nature, rather than vocational or narrowly technical, and to combine general education with specialized instruction in business and commerce. As academic model he had in mind the fields of medicine, architecture, and mining, which combined practical training with scientific study. The new academic institution was to serve a broad range of commercial occupations: banks, retail, import/export, railroads and shipping, insurance and corporations, but also future leaders of industrial establishments, foreign council members, government councilors for industry and commerce, factory

inspectors, as well as future academic teachers in the field. These should be instructed in accounting and correspondence, languages, knowledge of commodities, statistics, political economy, finance, transportation and geography, insurance, history, administration and organization, commercial law, physics and mathematics, philosophy, literature, and art. Suitable teaching methods, codes of discipline, and educational entry requirements would have to be developed based on experience. Finally, Mevissen put his money where his mouth was, and set up the sizable sum of 750,000 Mark for the founding of a *Handelshochschule* in Cologne, one of the single largest endowments ever made by a private person in Germany in the interest of an academic institution. Mevissen's gift was made on the condition that the city of Cologne would raise additional funds that would push the endowment above the 1 million Mark threshold.

Mevissen's plan also paralleled Wharton's in that he wished to see the cultural and moral level of businessmen elevated and the inferior status in which they were held—and held themselves—upgraded. He deplored the low level of education prevailing on the upper echelons of the large industrial and commercial organizations. The typical career of a successful business manager began with an apprenticeship of three years spent largely in the pursuit of routine tasks. His formal education thus completed, the future merchant or head of enterprise represented, in Mevissen's view, an odd mixture of narrow-mindedness and a parochial familiarity with the technicalities of commercial activity. Familiarity with arts and sciences as well as a broader outlook on his profession were deplorably undeveloped. German businessmen, with few exceptions, such as Mevissen himself (whose writings included essays on Goethe, Heine, and other well known writers), were in Mevissen's view largely a prejudiced, haughty bunch. But while the typical businessman despised higher learning and academia, the favor was returned by the graduates of the German university, the *Bildungsbürger.* The power base of these "mandarins," as Fritz Ringer has shown,[18] was not limited to the university, however. Their worldview also prevailed in state and public bureaucracies, in law, and in politics, where they occupied prestigious positions from which they looked down on the business class and the workers.

No Place for Business in the German University

While the general motives and objectives of Mevissen and Wharton were widely comparable, there was one crucial difference: Mevissen did not think that the new school could be part of the university. In his "Memorandum on the Establishment of a Commercial School [*Handelshochschule*] in Cologne," he wrote:

> If one searches for the causes that keep those social [business] circles which are superior in terms of property to almost all others from attending the university, one will realize that it is the fear of untrammeled

> freedom, the one-sided, almost exclusive focus on intellectual matters, with no concern for the practical application, direction of our universities. That direction is in conflict with the governing principles and views in the commercial community, sometimes even in complete dissonance. The man of commerce fears that his son who attends university will lose the sense for steady, persistent activity, the sense for economy, punctuality, and the love of order. That he will rather be prepared for dilettantism in the realm of *Wissenschaft*, which . . . will destroy the ability to find pleasure in the life of commerce. . . .[19]

Mevissen assumed that there was a fundamental difference between the ideals of the German university and those needed for the training of future business leaders. The latter required training in how to apply knowledge to solve practical problems:

> The producing, acquiring activity [*die schaffende, erwerbende Tätigkeit*] is subject to different conditions [than those prevailing at the university]. In its domain cognition and knowledge [*Erkennen und Wissen*] have to be accompanied by deed and action and the particular conditions of doing and creating [*Tun und Schaffen*] move into the foreground. Understanding by itself, theory, are not helpful, but often hindering. . . . Knowledge alone, theory, is not conducive here . . . it is of value only if it freely becomes serviceable to the forces of creation [*schaffende Kräfte*]. . . .[20]

But if Mevissen perceived the university as unsuitable for the education of businessmen, the ruling mandarin professors returned the favor. For them, business managers were so inferior to civil servants and academics that the two being educated in the same institution was out of the question. The clearest sign of their status difference was the fact that as "commoners," businessmen were ineligible to settle conflict in the honorable way—by means of duel.

In Norbert Elias's description, German "honorable society" ["*satisfaktionsfähige Gesellschaft*"] between 1871 and 1918 encompassed a prestige hierarchy led by the nobility who occupied mostly military and high state office, and the university professors who acted as gatekeepers controlling the entrance into civil service.[21] As members of the "honorable society," nobility, civil servants, and professors were eligible to settle conflict by duel and thus exempt from civil law (thus the term "*satisfaktionsfaehig*," which literally means "capable of giving satisfaction" by answering a challenge to a duel). This society clearly excluded the business and commercial classes.

Representative for the culture and the beliefs and values espoused by the members of the honorable society were the student fraternities, the *Burschenschaften*, which controlled the academic climate at the universities.[22] The disdain that the mandarins had for the classes that were not

satisfaktionsfaehig and the unruly and undisciplined spirit prevailing among large parts of the student population were reasons why Mevissen could not imagine that the education of future businessmen would take place at the German university.

Neither Wharton nor Lowell accepted, as Mevissen did, the idea that the universities should be the exclusive realm of pure science and theory. The useful arts were an important part of the American university, especially after the land-grant legislation.[23] Far from distracting from the importance and worthiness of universities, the utility of knowledge, its potential to ease and improve social life and work, added to their social standing. The utility of knowledge and the prestige and power of the professions were cultural resources which Mevissen could not draw on. The American university student also did not harbor the kind of principled disdain for business that Mevissen saw as dominant among German students:

> The university student looks down on many an unavoidable requirement of commercial activity as beneath him; and this low esteem for activities of creation and acquisition, which permeates the atmosphere of the German universities more than in other countries, is a main reason why the universities seem less suited to the education of business men.[24]

To summarize: Mevissen envisioned the training of students of business in something like an applied science of business. He also hoped that as a result of an improved education of the business community, "the sharp separation of social classes" would be lessened.[25] In these goals Mevissen clearly coincided with the vision Wharton was to set on paper only two years later. But Mevissen's initiative diverged sharply from Wharton's in stipulating the new institution to be freestanding and independent of the university system. Mevissen accepted and shared with the German academic community the idea that universities were—and ought to be—arenas of *Wissenschaft*, i.e., of pure theory. No practical or utilitarian considerations should impede or constrain their work.

Accepting the business community's exclusion from honorable society and stipulating that business education should be separate from the universities turned out to be a fateful decision. Despite its initial success, it soon became obvious that the German institutional landscape had no room for a newcomer purporting to be at once academic, applied, and independent of the university system.

Rise and Decline

Judged by student attendance, the *Handelshochschulen* were thriving in Germany in the early part of the 20th century. Eleven years after the first school opened, *Handelshochschulen* in Germany enrolled 1,696 students, compared to 2,637 in economics.[26] Five years later the *Handelshochschulen*

had caught up, enrolling 2,750 students compared to 2,277 in economics. The *Handelshochschulen* proved a magnet for students from Eastern Europe, who made up about a third of the total enrollment. According to Hayashima,[27] the *Handelshochschule* enrollment grew at a much larger rate than that of either the universities or the technical universities. In the 1920s warnings were issued against an imminent overcrowding of the field.

But by the mid-1920s the *Handelshochschul*-movement, as it was called in Germany, had passed its apex. In their quest for legitimacy and "first class" academic status, the *Handelshochschulen* made strides to be recognized as full-fledged academic institutions. The right to grant doctoral degrees was a major step along that road. The *Handelshochschulen* also responded to the pressures of *Wissenschaft* by zealously pursuing the symbolism and external trappings of academia, including the addition of doctoral degrees to their portfolio. Yet, with increased academic reputation came increasing pressures to become more similar to the university and lose the features that had made them distinctive. The road to assimilation into the structure of the university system ended for all practical purposes in 1933, when the major *Handelshochschulen* had become university departments of economics. The *Handelshochschulen* in Frankfurt and Cologne transformed themselves into universities. There is evidence that establishing a full-fledged university was what the Frankfurt and Cologne city senates had in mind when they joined the *Handelshochschule*-movement in 1901. In the Frankfurt case, the broader ambitions were even announced in the school's title: *Akademie für Sozial- und Handelswissenschaften Frankfurt*.[28] For the patricians of Frankfurt and Cologne, establishing a *Handelshochschule* was a first step to become a seat to a comprehensive university and thus towards greater local prestige and independence.

Wharton and Mevissen—The Fates of Two Founders

For a time it seemed as if German and American developments in educating and training the rapidly growing segment of administrative business personnel would converge. Like Joseph Wharton in Philadelphia, Gustav Mevissen in Cologne took the initiative to found a new type of educational institution, an academy of business education. As in America, the new venture was backed widely and registered impressive achievements. But while the American business school thrived and succeeded in bridging the worlds of business and research, the German *Handelshochschulen* eventually closed their doors or lost their independence, as many of them were co-opted into universities and transformed into branches of departments of economics. Why did the German *Handelshochschulen* meet a very different fate than the American business school?

As individuals, Wharton and Mevissen had much in common. Both were educated well beyond the immediate requirements of their field. Both were also immensely practical, respected in their communities, aware that their

word had weight. Both shared a vision of a society in which the business class would be more centrally integrated with the other leading classes of society, where they could make greater contributions to civil and political progress. Within two years of each other (1879 and 1881) they created a plan for a business school—a novel institution in their countries. Both set aside a considerable sum of their own money to put the plan into action. Both rejected mere vocational business education. Yet, despite all these commonalities, each stands at the head of two institutional trajectories that took very different turns.

Wharton and Mevissen differed not in vision and aspiration, not in interest and intelligence, and not in financial resources. *They differed in cultural resources*. Despite the status he enjoyed among the Cologne patricians, Mevissen suffered from the very exclusion from 'good society' that his memorandum deplored. Unlike Wharton, he did not have access to those individuals who controlled higher education. His decision to make the *Handelshochschule* a freestanding institution outside the university was his way of accepting institutional distinctions that were widely shared, including by himself.

While Wharton modeled his business school on the "scientific schools" which were, by then (1881), part of the leading universities, and while he saw no essential discontinuity between liberal education in the service of "men of affairs" and "men of letters," Mevissen *accepted* the *Wissenschafts*-ideal as appropriate for the university and accepted that the university was not the place for academic business education. While both faced similar discontinuities between the newly emerging world of business and the established world of scholarship and learning, Wharton had the cultural resources to forge an integration, whereas Mevissen did not.

From the days of Ezra Cornell, Johns Hopkins, Cornelius Vanderbilt, Lleland Stanford, Andrew Carnegie, and John D. Rockefeller, "self-made" entrepreneurs entered into crucial and generally reciprocal relations with the more aristocratic patricians who became instrumental in creating the new American university. Utility was a welcome counterpart to disinterested knowledge, and pragmatists like Whitehead and Dewey ensured that the university's engagement with the world resulted in business having a seat at the table of American higher education.

Unlike European aristocracies, American aristocrats did not shun contact with leading members of the burgeoning commercial class. They increasingly began to actively involve themselves in the world of business. The "Boston Associates" who funded and pioneered America's first ventures into industrial scale enterprises—the textile industry in nearby cities like Lowell and Lawrence—were mostly of Brahmin stock.[29] Although by nature inclined to discretion and selectiveness in their social choices, their social intercourse with members of the rising business class, even those with limited education, was casual and easy. In his reflections on American culture and academic life around the end of the 19th century, George Santayana—a Harvard professor and native Spaniard—observed an emerging American

class compromise, a marriage of the "polite" classes of aristocratic origin with the "crude but vital" emerging middle classes:

> Polite America [. . .] has suffered from inbreeding and anemia. On the other hand, a crude but vital America has sprung up from the soil, undermining, feeding, and transforming the America of tradition.[30]

It was from a resigned sense of their limitations and the emerging new realities in a democratic republic that the old American elite connected with the upcoming middle classes to retain their hope of social relevance. And if these middle classes had money and a hunger for upward mobility by means of education, so much the better. This union of two otherwise much opposed classes allowed the old elite to continue to define the social and moral standards via their leading role in the leading colleges. The commercial class, by contrast, lent vitality and money to the standard-setting institutions. While shunned in Germany, in the United States the "crude and vital classes" were thus assimilated to the project of academic institution building without weakening the love for distinction that characterized the system.

As powerful and influential as the Brahmins were, their number was small and receding in relative proportion to a growing population of middle and lower classes. Their hopes to dominate merely through the force of their intellect and their inherited wealth were growing dim. But the Brahmins lived door-to-door with self-made businessmen whose earnest strivings and Protestant zeal they had to respect. As Protestants with strong Calvinist roots, they also had to respect that business success as a clear signal of a person's good character, if not "state of grace." "Making it" in business showed the person's frugality, discipline, abhorrence of waste—an ability to pull oneself up "by the boostraps" that was respect inducing whether or not the person partook in the otherwise rather prized "self-culture."

Thus we get in the United States a very peculiar coexistence—even synergy—of upper and middle classes that elsewhere rarely have gone together. Elite status could be gained not only by Brahmin origin, but also through talent, self-culture, and business success. Entrepreneurs were not excluded from the leading circles nor did they feel stigmatized. Rather, they made the emerging institutions of higher learning—and not least the business school—a main object of their philanthropic giving, even if they themselves had rather little formal education.

Notes

1 The German founders conveniently overlooked the applied nature of law and medicine, which they had no problem allowing to be taught in the university. They also disregarded the fact that the bulk of the university's graduates were trained for the state's civil service—a rather "applied" pursuit. Their ire against "applied" purposes was directed, it turned out, mostly against applications in the marketplace.

2 Quoted in: Brian Hendley, 'Whitehead and Business Education: A Second Look', *Interchange*, 31 (2000), 188.
3 Howard Woodhouse, 'The Seduction of the Market: Whitehead, Hutchins and the Harvard Business School', *Interchange*, 31(2&3) (2000), 135–157.
4 Thomas Ehrlich, 'Dewey versus Hutchins: The Next Round', in *Re-Imagining Liberal Education*, ed. by Louis Menand (New York: College Board Publications, 1997), 225–262.
5 Quoted in Hendley, 'Whitehead and Business Education', 189.
6 Alfred D. Chandler Jr., *The Visible Hand* (Cambridge, MA: Harvard University Press, 1977).
7 In: Steven A. Sass, *The Pragmatic Imagination: A History of the Wharton School, 1881–1981* (Philadelphia, PA: University of Pennsylvania Press, 1982).
8 Ibid. 38.
9 Ibid. 21–23.
10 Quoted in: Edward C. Kirkland, *Dream and Thought in the Business Community, 1860–1900* (Ithaca, NY: Cornell University Press, 1956), 109, 99.
11 Samuel Eliot Morison, *Three Centuries of Harvard* (Cambridge, MA: Harvard University Press, 1936), 472.
12 Melvin Thom Copeland, *And Mark an Era: The Story of the Harvard Business School* (Boston, MA: Little, Brown, 1958), 20.
13 Kirkland, *Dream and Thought in the Business Community, 1860–1900*, 96.
14 Ibid. 100.
15 Quoted in: Jeffrey L. Cruikshank, *A Delicate Experiment: The Harvard Business School, 1908–1945* (Boston, MA: Harvard Business Press, 1986), 34.
16 Charles Perrow, 'The Short and Glorious History of Organizational Theory', *Organizational Dynamics*, 2 (1973), 2–15.
17 I draw in this section on material from Heinz-Dieter Meyer, 'The German Handelshochschulen—New Departure in Business Education and Why They Failed. Institutional and Cultural Causes', in *Management Education in an Historical Perpsective*, ed. by Lars Engwall and Vera Zamagni (Manchester, UK: Manchester University Press, 1998).
18 Fritz K. Ringer, *The Decline of the German Mandarins: The German Academic Community, 1890–1933* (Cambridge, MA: Harvard University Press, 1969).
19 In: Joseph Hansen, *Gustav von Mevissen. Ein Rheinisches Lebensbild* (Berlin: Reimer, 1906), 630.
20 Ibid.
21 Norbert Elias, *Studien über die Deutschen: Machtkämpfe und Habitusentwicklung im 19. und 20. Jahrhundert* (Berlin: Suhrkamp, 1992).
22 Max Weber, National Character and the Junkers. See Max Weber, *From Max Weber: Essays in Sociology*, ed. by Hans Heinrich Gerth and Charles Wright Mills (Oxford, UK: Oxford University Press, 1958), 386–395.
23 Laurence R. Veysey, *The Emergence of the American University* (Chicago, IL: University of Chicago Press, 1965), 57–120.
24 Hansen, *Gustav von Mevissen.*, 631.
25 Ibid. 630.
26 Hartmut Titze, *Das Hochschulstudium in Preußen und Deutschland 1820–1944* (Vandenhoeck & Ruprecht, 1987), Vol. I. 50–51 and 156–158.
27 Akira Hayashima, *Die Frequenz der deutschen Handelshochschulen 1898–1920* (Kwansei Gakuin University, 1984), 32, 121–152, here: 125.
28 Developments in Cologne and Frankfurt were obviously part of a more general movement among the larger German cities to establish universities. Cf. Karl Bücher, 'Die Neugründung von Universitäten im Deutschen Reiche', in *Die Entstehung der Volkswirtschaft: Vorträge und Aufsätze* (Tübingen, Germany:

Laupp, 1921). Traditionally tightly controlled by the Prussian government, rising commercial centers like Cologne, Frankfurt, and Hamburg considered it a matter of local prestige as well as economic development to become host to a university of their own. This desire, however, set them frequently enough into conflict with those who considered the university a sacred institution whose establishments should not be driven by motives of prestige or profit.

29 Robert F. Dalzell Jr., *Enterprising Elite: The Boston Associates and the World They Made* (Cambridge, MA: Harvard University Press, 1987).

30 George Santayana, *Character and Opinion in the United States* (New York: Scribner, 1921), 140–141.

10 Fortuitous Idiosyncrasies

How Humboldt Flourished in America

In the preceding chapters we have visited a number of idiosyncratic factors that explain how the American university succeeded where Humboldt failed. These factors attest to the important role of the American university's *embeddedness* in specific institutional conditions and its reliance on specific social actors that were absent from most other parts of the world. Embeddedness is an awkward term describing the phenomenon that institutions depend on a rich social environment made up of other institutions and the shared norms and beliefs particular to them.[1] They cannot be understood without this context—as little as words can convey meaning without a rich context of other words. But just as languages do not seamlessly translate one into another, neither do these social contexts seamlessly mirror each other. The norms, beliefs, and institutions that gave rise to the American university are deeply *local* in nature. It's an environment where scholars and businessmen and women don't shun each other and where Ivory Towers remain open to the public. Nobody engineered these norms, nor is anyone likely to succeed if they tried to import them elsewhere. Yet, from these local roots sprang an institution that has become a global icon.

In the preceding chapters of Part II I have followed identifiable historical actors imbued with specific experiences and institution-building ideas in order to sketch a three-dimensional picture of the construction of these institutions in a matrix of time, space, and culture. The object was to shed light on the contrasting physiognomies of the collective actors who were instrumental in creating the university in the United States. In particular, we saw a distinct group of actors, the patricians of the northeastern seaboard, emerge as a class of actors who left an indelible imprint on the new institution.

Distinct Actors: The Patricians

The patricians were at once learned (or had a sincere respect for learning), practical, and wealthy. With their exalted status and civic dedication, they came as close to an aristocracy as Americans ever came—a group that combined pride of ancestry and economic independence with respect for the

civilizing power of education and the arts. Yet, importantly, they also had the practical sense of what the French call "*hommes des affaires*," businessmen and women experienced in creating and running large organizations. An entire layer of the American institutional infrastructure—universities, museums, operas, symphonies, hospitals, parks—is the result of the ideas, beliefs, and money of these people. Few other classes come to mind that would equal the American patricians' dedication to learning, civic leadership, and practical sense of institution building. The German (and ancient Chinese) mandarins would rival the patricians' respect for learning, but altogether lacked their practical sense of institution building. They neither had the resources nor the civic autonomy to implement their ideas unencumbered by governmental and bureaucratic interference. In France (to take another example), according to Bourdieu, the higher education landscape reflects the mindset of an aristocratic class that became a "nobility of the state." Their values tilted them towards social exclusivity, using education as a distancing technology. For them, higher education was a form of cultural capital in the service of the creation of an exclusive culture, very different from the Americans' idea of civilizing uplift.[2]

It is clear then that men like Hopkins, Cornell, Wharton, Carnegie, Rockefeller, Stanford, and Vanderbilt, and their intellectual muses, White, Gilman, Eliot, Starr, and Hutchins, were radically different institution builders compared to the German scholar-artists, the mandarins of China, or the French state nobility. No other class combined their respect for, and grand vision of, the civilizing role of learning with their economic resources and the realism needed to put their plans into practice. And while unprecedented wealth was a necessary prerequisite for the patricians' institution building to succeed, it was not a sufficient one. If money had sufficed to found great universities, Rome would have built academies rather than churches and circuses, and the billionaires of all ages would have spent their money on universities instead of yachts and casinos. As Protestants, the patricians believed in applying *private* fortunes to the improvement of the *public* good. And as businessmen, they believed in organizing their philanthropy in effective ways to guarantee long-term independence and growth, rather than short-term alleviation of need.

In Germany, Gustav von Mevissen and a handful of his fellow patricians came closest to being a German "equivalent" to the American patricians. Concentrated in the German commercial centers, especially the cities of the Hanseatic League, the German patricians welcomed the far-reaching industrial and commercial changes then underway. They wanted to promote a type of higher education that would speed and facilitate these changes. But the German patricians did not match their American counterparts' unrivalled standing at the top of society's status and prestige ladder. They faced stiff opposition from the entrenched class of mandarin professors and university-educated civil servants described by Fritz Ringer, who were suspicious of base, money making "parvenues" entering the realm of *Bildung* and *Wissenschaft*.

Equally important, the German patricians *accepted* the very beliefs that the German mandarins used to justify the exclusion of the commercial classes from higher education. As we saw, Mevissen assented to the idea that the presumed disinterestedness of *Bildung* and *Wissenschaft* conflicted with the goals of business education. It was this belief that led him to propose a type of business education *separate from* and independent of the university system with whose values it would clash.

Unique Precedents

Interestingly, as we saw, the German mandarins' contempt for business was not entirely absent from American academia. Academic purity had a prominent defender in Robert Hutchins, who, as president of the University of Chicago, campaigned against the business school as a perversion of the idea of academia. But while the marriage of university and business education had prominent detractors in America, it also had highly visible defenders in scholars like John Dewey, Alfred N. Whitehead, and the legal scholar (and later Harvard president) A. Lawrence Lowell. But none of them could have succeeded without the example of the Law School, which provided them with a successful institutional model showing that a professional school could be a high-brow addition to the university. Just as the law school was a distinctive institution educating practitioners of law, the business school, Lowell believed, could become an institution which taught students to become more competent stewards of business. The law school (itself impossible without the Common Law tradition so starkly differing from Continental Napoleonic Code Law) provided American institution builders with a powerful model for the business school that was absent in other countries. It also supplied the business school with its major teaching method—the case study—the study of actual problems that managers (like lawyers) encountered, written up as cases and used as instruments to educate students.

It also helped that the American business leaders were members of the same exalted elite from which most scholars hailed. Thus, the natural animus between the scholar and the applied researcher never developed to the heights of arms' length contempt that it assumed in Germany. A man like Frederick Taylor, for all the eyebrows he raised with his studies of pig-iron shoveling men, not only moved in the same circles of business and civic leaders like Joseph Wharton. He also thought like them, which recommended the young engineer from Philadelphia to an appointment as lecturer at the newly founded Harvard Business School. Despite the natural suspicion with which members of the two groups viewed each other, their common ties of class and culture proved strong enough for the development of a constructive give-and-take that would determine the successful institutionalization of the business school.

Civic Associationism

That philanthropists and scholars could freely associate to create a new institution testifies to the strength of the civil society that Tocqueville had described as a distinctive feature of American democracy. That the idea of education independent of government made it from the hearts and minds of a small elite into practical reality remains one of the most decisive factors accounting for the different trajectory taken by the American university. These ideas, it is safe to say, were unlikely to have won the support of a democratic majority in an open contest. The growing number of Americans who argued for the establishment of a national university in Washington in the second half of the 19th century had not only the force of numbers but also much credible evidence on their side.

Many Americans were impatient with the quilt-like patchwork that would result from the uncoordinated activities of private individuals in different parts of a large continent. They were attracted by the more grandiose, Napoleonic sentiments and wanted to jumpstart America's entry into the club of civilized nations by founding a national university at the seat of the government. But they lacked a strong central government with enough muscle and tax power to institute these plans.

The self-confidence displayed by the American scholars and patricians who had the conviction and the financial resources to put them into practice recalls a sentiment succinctly expressed by J. M. Keynes at a time when the American patricians were perhaps at the height of their power:

> We are . . . faced in Europe with the spectacle of an extra-ordinary weakness on the part of the great capitalist class, which has emerged from the industrial triumphs of the nineteenth century, and seemed a very few years ago our all-powerful master. [. . .] This was not so in England twenty-five years ago, any more than it is now in the United States. Then the capitalists believed in themselves, in their value to society, in the propriety of their continued existence in the full enjoyment of their riches and the unlimited exercise of their power.[3]

To be sure, this self-confidence often manifested as arrogance, making for much excess and even brutality in the way some of them clawed their way to the top and defended their riches once they had arrived. The same individuals that gave more money to universities than many European governments allocated for that purpose could also be seen brutally tearing into labor strikes or suppressing the dissent of near rivals. But if they were autocrats, they were generous autocrats, unimpeded by Hamlet-style self-doubt and with a firm belief in the redeeming value of knowledge and education. They were confident in their roles as leaders and pioneers on a social scale. They inherited and extended a tradition of civic associations assuming functions elsewhere expected from government. They believed in using private

resources for the public good. And they benefitted from the availability of a ready-made blueprint for the new institution brought over by thousands of upper class Americans from Germany and Europe.

The Gift of Time

One condition for the American university to succeed that deserves special mention is *time*. Governments, especially democratically controlled governments, do not have time. Whatever they undertake has to produce fruit within the confines of democratic accountability, notably the election cycle. But if it is true that institutions need time to mature, it follows that there must be many institutions that will not reach their full potential before some time has elapsed. The American university was marred by birthmarks that, considered from today's vantage point, would not pass muster with today's democratic consciousness. Long into the 20th century, the university practiced blatant discrimination based on class and race and gave passes for mediocrity to the sons of blue blood.[4] But in time the system self-corrected—and arguably more effectively than it would have had the government intervened to that end.

In fact, it is striking how all the winning designs represent what at first blush looks like ungainly and even awkward combinations of functions that few government planners in their right mind would ever have approved: the combination of teaching, research, and professional service in the same institution would seem far less plausible than constructing dedicated institutions in which each of these purposes could have been pursued in their pure form. Admitting business education to the academy that also housed advanced research institutes would seem as unlikely as conducting (undergraduate) teaching under one roof with (graduate) research training, both of which take place a stone's throw away from the training of lawyers or veterinarians. All these are combinations of functions that defy conventional rationality trained on parsimony, elegance, and efficiency. Similarly improbable are the notions that a strong faculty voice need not preclude or come at the expense of a strong executive leader (and that both can actually reinforce each other in a process of continuous learning); that private governance must not lead to the sacrifice of public purpose, or that allowing institutions to enter the field from humble starting points need not induce a race to the bottom. But even though these institutional learning outcomes are less obvious or celebrated than they deserve, they are in the best tradition of Humboldt's founding act, which, after all, crucially and daringly sought to combine teaching and research, autonomy and community, and general education and research.

Summary

Like many complex designs, the American university hides as much as it reveals. Many of its surface design characteristics assume their full significance

only in the context of their embeddedness in an array of idiosyncratic institutions and traditions that are not only less obvious to casual inspection but also harder to transport to different contexts. To understand the full effect of a design, it is important to understand the interaction of its readily visible characteristics with the enabling conditions of the local context. Recognizing these idiosyncratic factors that shaped the American university does not mean that other nations lacking such cultural traditions cannot hope to learn from the American example. Other paths to excellence are surely possible. But it suggests that such learning will best proceed when conceived as a process of open-ended institutional learning rather than as a de-contextualized copying of a "world class" design.

Notes

1 Mark Granovetter, 'Economic Action and Social Structure: The Problem of Embeddedness', *American Journal of Sociology*, 91 (1985), 481–493.
2 Pierre Bourdieu, *State Nobility: Elite Schools in the Field of Power* (Stanford, CA: Stanford University Press, 1996).
3 John M. Keynes, quoted in Philip Arestis and Malcolm C. Sawyer, eds., *The Rise of the Market: Critical Essays on the Political Economy of Neo-Liberalism* (Cheltenham, UK: Edward Elgar Publishing, 2004), 192.
4 Jerome Karabel, *The Chosen: The Hidden History of Admission and Exclusion at Harvard, Yale, and Princeton* (Boston, MA: Houghton Mifflin Harcourt, 2005).


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Part III

Achieving Self-Government

Six American Design Shifts


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11 Collegial Self-Government

It is the thesis of this book that institutional design matters. In chapters three and four I have discussed two design mechanisms that distinguished the modern from the medieval universities and helped them become centers of discovery and develop resilience against the ever-present forces that corrupted them in these pursuits. Adam Smith was the first to point to the problem of institutional decline and corruption as a result of an unchecked pursuit of professorial self-interest. As a check on this tendency, he argued for the need of professors and universities to compete for students and reputation. Humboldt's founding idea—stressing the need for professors to combine teaching and research and prove themselves through continued research activity and publication—supplied the second mechanism. The American university inherited both these institutional features from the English colleges and the German university. But, as we will see in what follows, it crucially went further.

From Chair/Institute to Department

At the level of the individual institution, the American university spawns three key institutional innovations:

–it changes the basic organizing unit from *chair plus institute* to *department plus discipline*;
–it turns the university president from a *figurehead* into a *chief executive*;
–and it lodges ultimate authority of oversight in *independent boards of trustees*, not a central government.

In this chapter I consider the first of these three innovations—the crucial strengths and notorious weaknesses of the peers' departmental self-government. This will be followed by a discussion of the new forms of institutional leadership at the executive and the university levels that help ensure the university's independence and maneuverability.

In Laurence Veysey's judgment, "[t]he academic department, cornerstone of our own university organization, was a peculiarly American creation as

against the highly individual, charismatic role of the German professor."[1] Parsons and Platt concur: "The distinctive contribution of the American development compared with, say, German universities was graduate schools of arts and sciences and, within such schools and undergraduate colleges, the establishment of departments rather than 'chairs.' "[2]

The fact that the department is today taken for granted as the basic unit of academic organization in academic systems around the world easily obscures the radical departure it represents in academic organization. The department creates, for the first time, an institutional form for cooperation and collegial self-government of the faculty. In the medieval university, each of the four major 'faculties' (theology, law, medicine, and philosophy) was represented by semi-autonomous professors occupying chairs, the chair occupants being independent operators who enjoyed great autonomy.[3] The most prestigious of them held ranks equivalent to bishops—and many bishops or cardinals were, in fact, fully fledged professors. Under those conditions, professors were not dependent on each other. A chair-professor would get what he needed by either procuring it himself or petitioning the head of the university.[4]

The German university inherited the medieval chair structure. But as empirically minded professors specialized in particular areas of research, they needed assistants, resources, and equipment—all brought together under the chair's direction as head of a laboratory or *institute*. As Clark points out, the chair system had its roots in the medieval guilds, bringing together several ranks of subaltern employees—apprentices and junior practitioners ("bachelors")—under the guidance of a master.[5] At the rank of bachelor, a junior scholar was, for example, "allowed to lecture and dispute under supervision" but did not have "sufficient maturity to establish themselves" independently. Not being economically independent, he was also barred from marrying, hence "bachelor."[6]

While providing the individual professors with high levels of independence and supporting outstanding achievements by gifted chair-holders, the aggregate effects of the chair system *handicapped* institutional progress. For one thing, the chair/institute structure limited both cooperation and competition in the academy. Within the institute the chair reigned more or less supreme,[7] making personal rule the default mode of governance in chair-based systems, and turning "professors into barons."[8] If there was competition among the chairs, it would be with chairs at other universities. Within a university, professors kept at a polite distance from each other. An observation from Kant is *à propos*: "Scholars don't like to deal with one another. Because their interaction does not serve their recreation if they are scholars in the same field. Moreover, it is more pleasant to instruct someone eager to learn who is without envy."[9]

The chair/institute structure also was weak in developing and recruiting future generations of researchers. Most junior researchers in an institute would end up as lifelong research assistants. While their salary might increase with seniority, they were typically not meant to become professors or senior researchers themselves. The very few given a shot at an academic

career would have to survive a decade or more of subaltern service to the institute's boss. In this, the chair/institute resembled the "patron-cluster" model of the French academic system, whereby a patron with a secure chair would gather some five to ten junior academic aspirants around him. The cluster (also known as a clan, circle, or clique) was "an association of perhaps a dozen persons who shared a minimal core of beliefs . . . and were prepared to collaborate." Most of the cluster members did not enjoy contractual security in the academic system—a fact that made them unhealthily dependent on the chair-holder's good graces.[10]

The Department as a New Departure in Academic Organization

In making the *department* the basic operating unit, the American university dramatically altered the way professors relate to each other. At the most basic level, the department represents a shift from a semi-oligarchical system of governance revolving around individual chair-holders to a more democratic system of shared collective governance. One area where the difference became apparent was teaching. A chair-professor would teach only subjects closely connected to his research. Nor would he need to coordinate his teaching with his colleagues. Chair-professors could also afford to shun involvement in administrative tasks more generally. As independent operators, chair occupants would not need to spend time in committees of administrative self-government where they would have to find workable compromise with their colleagues.

Thirdly, as their power was considerable and largely unchecked, chair occupants would find few obstacles to autocratic or even exploitive behavior, especially vis-à-vis junior researchers. The result was:

–a weak sense of academic community;
–few spurs to intra- and inter-institutional cooperation or competition;
–and weak incentives to invest time in bringing up the next generation of researchers in a spirit of intellectual independence (as opposed to discipleship), thus jeopardizing the institution's continuous reproduction.

By contrast, the department of the American university is the basic unit of academic self-governance. The professors collectively determine curriculum, graduation requirements for the various degree programs, and, crucially, hiring and firing of new faculty. Through the department, the colleagues govern the university's academic core. Key issues of collegial self-governance include:

–curriculum (course requirements, course development, and revision);
–student admission (departments weigh in on which student applicants to accept);

–accreditation and quality control (program review vis-à-vis accrediting agents);
–recruitment (hiring new professors);
–teaching (who teaches what and when).

Colleagues in a department are responsible for developing and managing a curriculum in an effort to provide students with a balanced introduction to the field as well as prodding and guiding them towards independent research through specialized, research-oriented courses. In research universities, doctoral education plays a particularly important role in the work of departments and is another occasion for faculty cooperation. The doctoral student is supervised by a committee (of usually three members), not a single individual or a series of unconnected individuals. Guiding the novice researcher to his or her first piece of independent research becomes an occasion for regular collegial consultation and deliberation among department members and prospective junior scholars.

The Emancipation of the Junior Scholar

The shift from the chair/institute to the departmental governance structure also has consequences for the institutional role of the junior scholar. As *graduate student* her role is transformed from that of assistant to a single professor to that of junior member in a community of scholars. Where the German prospective scientist was expected to mature in sole interaction with the guiding professor (characteristically called "*Doktorvater*"), the graduate school makes the doctoral student a member of the scholarly community. As Parsons and Platt put it:

> The rise of the departments tended to emphasize universalistic standards of performance and competence as distinguished from standards congenial to a single patron. It also encouraged the exposure of department members and their graduate students to critical evaluation of their work in a wider forum: in an intellectual marketplace.[11]

The switch from personal to departmental allegiance was most obvious in the construction of a *graduate career* characterized by several distinct features, including the residence requirement, competitive funding, committee guidance, cohort processing, and stepwise examination. The *residence requirement* meant that students had to complete a minimum of academic terms *in residence*, a requirement that curbed excessive student migration. *Competitive funding* aimed at attracting talented students for full-time studies. *Committee guidance* replaced single-professor supervision. The committee typically consisted of three or more members from anywhere in the graduate school. According to Hollis, the shift to a committee structure was to improve the quality of the doctoral research and to limit the arbitrary

power of a single advisor. It was important to require "authorization from more persons than just the candidate's sponsor. . . . The pooling of ideas is an effective democratic procedure for graduate professors . . . the best interests of the student are served if the sponsor is required to check his judgment with that of two or more colleagues anywhere in the graduate school. . . ."[12]

Collective processing meant that, because the department consisted of a number of full-time researchers in the same field, prospective researchers could be trained *as a cohort*, rather than individually. In a *sequential curriculum*, graduate departments defined cumulative course requirements and skills needed to complete a degree in a given field. Most doctoral programs adopted *stepwise examination and certification*, or a two-step sequence of certification, separating the pre-dissertation training from the period of thesis research and writing.

Taken together, this combination of residence, funding, committee guidance, group training, sequential curriculum, and stepwise examination defines an institutional framework of research training unique to the American graduate school and in sharp contrast with the practices that the American students had experienced in Germany. From the point of view of the individual student-researcher, the key difference is that he or she developed as a junior researcher not in exclusive dependence on one master-professor, but in interaction with peer students, faculty, and researchers of his or her own department. Parsons and Platt characterize the difference:

> [In Germany] those who were to become research workers acquired their specialized knowledge and skills informally as assistants working with professors in the research institutes. . . . The training of the latter [the student] remained informal. Its main shortcoming was that it was difficult for the student to acquire an all-round training in his field, because he worked with a single teacher. This system also created a situation of dependence on a teacher who often behaved in a highly arbitrary and authoritarian manner, and it gave rise to feelings of insecurity among those who aspired to a research career.[13]

The introduction of a *formalized career path* for the doctoral research trainee, involving a fixed sequence of steps (course completion, establishment of a supervisory committee, approval of programs, approval of dissertation project, and completion of dissertation) changed this situation. One innovation was the collegial nature of the student-teacher relations:

> The depersonalization of this pattern [of graduate research training] was . . . primarily the contribution of the American system. The candidate for an academic career was no longer mainly under the patronage of a senior man in the field but the graduate of a systematic program administered by a department within the supervision and rules of a graduate faculty.[14]

Also, the departmental design allows a doctoral candidate to enter into cooperative relations with *peer students* and to gradually transform the role relations with faculty and advisors from hierarchical to collegial. "Once admitted and while in good standing the student becomes a member of the university and enjoys the privileges which pertain to that status so far as they are relevant to his program."[15] The American graduate student is decidedly and emphatically an insider, a (junior) member of an academic community. A key part of the emancipation of the junior scholar was, of course, funding. As Columbia University president Butler put it:

> Perhaps Mr. Gilman's most striking innovation was the foundation of twenty annual fellowships. . . . Mr. Gilman . . . threw open the Johns Hopkins fellowship to general competition; and it was this step as much as any other single one, which fixed the relation of the new university to the colleges of the country and which attracted to it at once the most promising of the younger scholars.[16]

The emancipation of the junior scholar from a position of subaltern dependence to one closer to what Humboldt envisioned when he said that professors are not there for students, nor students for professors ("but both are there for science") is a key advancement of the American departmental organization, something that becomes obvious as soon as one sets foot into academic systems that do not have it.[17]

Departments and Discipline

Another important difference between department and chair/institute pertains to the role of the academic discipline. In chair/institute systems, subject matters are differentiated along the lines of the four faculties of law, medicine, theology, and philosophy. Within those broad fields, chairs would carve out their often idiosyncratic area of scholarship and research. By contrast, the department is organized along *disciplinary* lines. Reflecting the major innovations and new focus on research during the 18th and 19th centuries, the disciplines became central spaces of collaboration, gradually replacing the academies, which became increasingly less capable to act as centers for communicating research in the exploding fields of physics, chemistry, biology, psychology, history, economics, and sociology.[18]

As detailed by Stichweh, the disciplines' two main institutional bases are the scientific association and the academic research journal.[19] Through these mechanisms, the disciplines provide an intellectual home and frame of reference for scholarly communication across far-flung universities. They provide professors with the opportunity to keep up with the work of their disciplinary peers, thus creating a community of scholars that transcends institutional boundaries.

At the departmental level, the academic discipline gives intellectual cohesion and a shared frame of reference to the members of a department, providing them with a collective identity and "solidarity of the profession."[20] Using the disciplinary structure as major frame of reference, the department emphasizes what its community of scholars has in common, while the chair system emphasizes what separates them. By organizing professors on the basis of a shared disciplinary identity, departments create a basis for cooperation across and within universities. Instead of settling all issues of scholarship and academic administration by the fiat of the chair-holder, departments require collective deliberation, drawing on the shared insight and identity of their discipline to administer their own affairs. As Johns Hopkins president Gilman said of the departmental organization at Johns Hopkins: a colleague was free to do what he wanted, always provided "that he worked in concord with his fellows."[21]

Whether professors like it or not (and they often don't), the department makes colleagues interact with each other regularly and routinely, while the disciplines provide substantive frames of reference. The department is thus the chief arena of meaningful self-governance that academic models in the chair/institute tradition normally lack. The colleagues organized in a department do real administrative work, but they do it collegially and as amateurs, without the need for central administration to get involved.[22]

Disciplines and Academic Freedom

By enforcing a minimal degree of "cosmopolitanism" which takes the individual faculty member beyond the horizons of the department, the department/discipline structure is also an important source of supra-local academic collaboration and freedom. First, the shared disciplinary identity transforms the "invisible college" of old into an increasingly recognizable organizational presence, making a scholar's colleagues an important part of his or her working community. The department/discipline structure thereby creates a *dual* authority structure, embedding the academic in what Gouldner described as a local-cosmopolitan reference structure, with the local university and the cosmopolitan (national or international) discipline as chief anchors.[23] Professors must operate in this matrix-like local (department and university) and cosmopolitan (national and international discipline) stage—although different individuals vary in the mix of their respective engagements.

As professors divide their loyalties between discipline and department, they gain important degrees of freedom. The strong pressures for consensus to which professors are subject at the local level (in matters of teaching and administrative service) do not operate at the cosmopolitan level and in matters of research. In the conduct of their research, individual professors do not require the approbation of their local peers, as long as they find support in their discipline. The resulting dual authority structure is an

important safeguard of academic freedom. Without it, many an academic maverick might be stopped dead in the tracks of the kind of conformist pressures which the department generates with systemic certainty (see below).

This freedom is further safeguarded by strong forces generating overlap and redundancy in the structure of the disciplines—a powerful mechanism to counteract disciplinary chauvinism. Becher and Trowler have discussed this as a phenomenon of overlapping specialisms.[24] And Andrew Abbott has described this as "the chaos of the disciplines." The disciplines, at least in their American incarnation, do not represent closed systems in which members are expected to exhibit high degrees of paradigmatic fidelity. Instead of walling themselves off against neighboring disciplines (the way, say, Durkheim wanted to wall off sociology against psychology), the American disciplinary structure exhibits what Abbott described as a "fractal" and "chaotic" structure, in which a discipline reproduces within itself some of the divisions that gave rise to its separate formation in the first place. Thus, historical sociology or economic sociology become sub-specialties in the field of sociology, connecting it to neighboring fields from which it branched off.[25] In this way, the disciplines manage to combine distinctiveness with interaction, specialization with integration.

Potential Dysfunctions of Departmental Autonomy: Inefficiency, Stasis, Groupthink

Given the department's crucial role in academic self-government, it would appear that a university that is fully and directly controlled by the departmentally organized peers is the best institutional solution. But that is not so. As crucial as they are for academic self-government, departments, left to themselves, also generate a number of dysfunctional tendencies. They can be bastions of intellectual turf and protectionism, administrative inefficiency, and conformism.[26] The peers' departmental self-government is a force to be harnessed, but it is also a force to be tamed.

The typical department is small—ranging from as few as three members to rarely more than 20, with the average number hovering in the mid teens.[27] But for a dozen professors to agree on anything of significance is a rare feat. The department chair, being merely a first among equals, lacks the power to corral individualistically minded faculty. From his or her perspective, running a department looks a lot like the proverbial "herding of cats."[28]

Because majority decisions create winners and losers (or friends and enemies with long memories), they are often avoided, making consensus the preferred mode of decision making. But among academics and in the more complex matters of administration, consensus is often elusive and frequently unattainable. Wise department chairs don't force votes. Instead they reschedule. And reschedule. And forget to reschedule. The result is all too often administrative *stasis* and *inefficiency*.

A key element of collegial administration is the committee, of which many departments have a small handful (e.g., a committee for matters of curriculum, a committee for admission and student selection, one for finances, etc.). Committees are at the center of Weber's "avocational" or pre-bureaucratic form of administration.[29] They are utilized wherever professionals resist a hierarchical division of labor.[30] In the university, decision making by committee reflects the belief that among the faculty all voices are of equal importance. Every colleague's word is supposed to have a chance to be as influential as every other. Yet, in the absence of vertical lines of authority, the most minute differences among individual professors can assume extraordinary importance. Although they would seem ideally predestined to be 'model communities' where liberty and reason prevail and rational decisions are made, they often don't deliver on that promise. As Don Randel, president of the University of Chicago, pointed out: "Universities have their own version of low voter turnout and uncivil discourse. . . ."[31] And William Readings' verdict is even harsher: "few communities are more petty and vicious than university faculties. . . ."[32] Nor is this a recent development. Haskins, in his discussion of the medieval university, has reason to talk about the "tyranny of colleagues" as a "form of that 'tyranny of one's next-door neighbor' from which the world seems unable to escape."[33]

In the lucky event that a departmental faculty generates a decision, it does not mean that its decision will actually be implemented, as the sense of ownership of a decision is often weak. This is especially so when the decision reached is a compromise that many accepted only grudgingly, as there are "few sanctions against people who refuse to participate in university governance."[34] Further, professors do not see themselves as administrators, so they are loath to spend time on implementation, for which they are, at any rate, not well-qualified nor rewarded (incentives being stacked heavily in favor of research productivity). Thus departmental decisions are often decisions without teeth.

Departmental self-governance may also be hampered because, in matters of administration and committee work, faculty tend to reject specialization. Membership in committees rotates. Every few years, the peers are reassigned to another committee. Because of their ever-changing composition and the taboo of any one member developing or asserting special expertise, committees often have to start from scratch. The slowly accumulated experience and wisdom that one would find in a well-managed team does not accrue.[35] This deprives committees of the kind of expertise that distinguishes well-functioning teams. In lieu of experience-based shared understandings, committees resort to playing by the rules and—in the often heard lament—"keep minutes [the official recording of a meeting's transactions] while losing hours." Thus it is no surprise that the colleagues end up spending much of their active administrative life avoiding becoming too deeply involved in academic self-governance, which they see as kicking "garbage cans" in the "valley of indecision."

Garbage Cans in the Valley of Indecision

The organizational theorist James March and his colleagues have tried to capture the chronic administrative inefficiency of higher education in their paradoxical coinage of "garbage can decision making" or "organized anarchy," an idea meant to emphasize the high degree of reactivity and sensitivity to chance factors in academic decision making. Successful new initiatives, purchases, and plans are more frequently the result of accidentally coinciding events than of rational planning. "Organized anarchy" or "garbage can decision making" describes a mode of governance where "participation is fluid, goals are ambiguous, and technologies are unclear."[36] Decisions rarely derive from a rational search for optimal means to achieve preferred ends, but rather are driven by coincidence and timing, the ability to "find problems" that fit an available "solution." In Cohen's, March's, and Olsen's classic account:

> . . . one can view a choice opportunity as a garbage can into which various kinds of problems and solutions are dumped by participants as they are generated. The mix of garbage in a single can depends partly on the mix of cans available, the labels attached to the alternative cans; on what garbage is currently being produced and on the speed with which garbage is collected and removed from the scene.[37]

Universities can thus be described as "a collection of choices looking for problems, issues and feelings looking for decision situations in which they might be aired, solutions looking for issues to which they might be the answer, and decision makers looking for work."[38] Solutions come about when the "garbage can" happens to turn up opportunities in the form of new faculty lines, sudden retirements, windfall money, or budget allocations. In other words: by chance. In this perspective, leading a university is a lot like steering "a skidding automobile on an icy road."[39]

March's and colleagues' description of academic decision making is replete with echoes of F.M. Cornford's "*Microcosmographia Academica*," an earlier, no less biting treatise on the dysfunctions in academic self-government. According to Gordon Johnson, Cornford's essay was born from his unsuccessful change efforts at the University of Cambridge around the turn of the last century, resulting in a less theorized, but no less trenchant analysis of how the colleagues deal with the trauma of change.[40] It is written as a "warning to the young academic politician" who is deluded enough to believe "that you have only to state a reasonable case, and people must listen to reason and act upon at once."[41] It is full of passages suggestive of the garbage can, like the famous "principle of the dangerous precedent:"

> The Principle of the Dangerous Precedent is that you should not now do an admittedly right action for fear you, or your equally timid successors,

> should not have the courage to do right in some future case, which, *ex hypothesi*, is essentially different, but superficially resembles the present one. Every public action which is not customary, either is wrong, or, if it is right, is a dangerous precedent. It follows that nothing should ever be done for the first time.[42]

Faced with tall obstacles to ever do anything new, universities seem condemned to linger in the valley of indecision, the way Dante had sinners linger in purgatory for having delayed repentance to the last. A preferred way of spending time in the valley of indecision is principled debate. For example, experienced administrators know that it is often futile to try to capture every possible contingency by means of a written rule. If, say, a department needs to revise its requirements for certain tests or admissions, there will inevitably be students who are caught in the transition between old and new, and for some of them, a simple 'grandfather-clause' won't suffice. But in all probability, the number of these students will be very small. Then a committee faces the choice between surreal perfection and imperfect pragmatism that leaves room for muddling through on a case-by-case basis. This may give rise to a disagreement between the perfectionists and the pragmatists (or Cornford's "liberal conservatives" and "conservative liberals"), from which a principled debate over the merits of pragmatism (or perfectionism) will ensue. An experienced administrator would squash a debate like this in its infancy, but department chairs rarely serve long enough to become experienced administrators.

The deft and bite of Cornford's satire easily masks the perspicacity of his underlying thesis: that in academia rational debate is a weak mechanism of effective self-government.[43] According to Cornford, this is because professors will do or say almost anything to protect their inherited turf.[44] The operating factor here may be a very basic human frailty that Alexander Hamilton described in the *Federalist Papers*: "Men often oppose a thing merely because they have had no agency in planning it, or they may have been planned by those whom they dislike."[45]

Small Group Conformity: Groupthink and Turf

Essential to both March's "garbage can" metaphor and Karl Weick's equally well-known conception of educational organizations as "loosely coupled systems" is the idea of universities operating in a realm of irreducible ambiguity of goals and technologies. Weick emphasized how the university's make-up around an array of decentralized, bottom-heavy, and semi-autonomous departments was actually a functional adaptation to the deep ambiguity of purpose and processes at the heart of the university as an institution.[46] After all, hierarchical decision making meets with tight limits in organizations where the hierarchical superiors have no superior intelligence over shop floor operatives—the professors—about how to go about the organization's

key activities of teaching and research. Loosely coupled organizations appropriately privilege differentiation over integration, giving individual units or members room to uncouple from hierarchical demands or expectations.

In a less well-known analysis, Weick pointed out that in the case of universities, despite their overall loosely coupled nature, there are expectations of cohesion and consensus emanating from the university's self-understanding as a community of scholars which can produce conformism and groupthink:

> The phrase 'community of scholars' contains a contradiction. Actions that strengthen the community weaken the scholarship. And actions that strengthen the scholarship weaken the community.[47]

The imperative of community on the one hand and scholarly individualism on the other places the university on a tradeoff continuum between "accuracy" required by scholarship and "cohesion" (or homogeneity) required by community. Drawing on Janis's study of "groupthink,"[48] Weick suggests that "[w]hen homogeneity prevails, less is seen"[49] because the cohesion/homogeneity imperative may weaken adherence to accuracy. To manage this problem, Weick suggests that universities institutionalize a "basic ambivalence toward cohesion and accuracy"[50] in two ways. They must maintain loose coupling by combining high structural differentiation with low integration. And they must institutionalize norms rewarding "[c]ompetence rather than likeableness," making "[c]ontribution to science . . . the only legitimate basis to bestow status. . . ."[51]

The peers' efforts to skirt the demands of consensus by invoking special expertise or status can make matters worse, as they resort to a number of decision short-cuts or by-passes when consensus proves too arduous. Faculty may assert the right of privileged insight in a matter ostensibly falling into the intellectual territory over which they claim sovereignty. In recognition of their respective turfs, academics will frequently engage in logrolling or the trading of 'no contest' votes. These are declarations or promises of reciprocal favor-trading whereby one peer supports another peer's pet project in expectation of reciprocation. Cornford describes logrolling as "squaring"—a delicate dance that ensures "that there is no connection whatever between my supporting your Job and your supporting mine."[52]

Similar to turf and logrolling is the mechanism of seniority, by which a department's more long-standing members weigh in more heavily in the decision making process, for which there is often good reason. Yet, when seniority becomes an automatic right to clinch a contested matter, it may deteriorate into autocratic regimes reminiscent of the chair system, or what Marginson and Considine call "obscure networks of 'god professors' dispensing 'grace and favour.' "[53]

Needless to say that these by-passes of rational debate are quite at odds with the exigencies of the modern university. They strengthen rigid

boundaries of turf or rank and weaken the inter-disciplinary commitments in the university, representing a form of intellectual protectionism at a time when interdisciplinary openness trumps or ought to trump. They contribute to the high degrees of fragmentation that Damrosch identified as one of the ills of the "overspecialized" academy, in which shared intellectual debate no longer has a home.[54]

The Need for Executive Leadership

In light of the above litany of dysfunctional aspects of departmental autonomy, it is tempting to dismiss departmental self-government as at best inconsequential and at worst a colossal waste of time. From the point of view of many participants, self-government often seems like a giant test of patience. However, its positive function becomes obvious in comparison with systems that do not have it: where hiring decisions are made without the voice of the faculty; where curriculum, degree requirements, and matters of teaching are not within the compass of the faculties' self-government. Compared to the American university's imperfect practice of academic self-government, other university systems (in which most important decisions are made above the level of the faculty) look like hollow shells, aptly, if sarcastically, described as "institutions held together by a central heating system."

If departments and committees are by nature cumbersome, slow, ponderous, impractical, zig-zagging, irresolute, and weak, it is because of the inherent ambiguity of the subject matter and the fallibility of the faculty dilettantes, who discharge their administrative responsibilities as an 'avocation,' to use Max Weber's term. Academic self-government is thus easily the worst form of university organization, except, to invoke the cliché, for the alternatives: namely a fully centrally administered university (in which professors are reduced to employee status) on the one hand, and a fully professor-administered university on the other. The former would soon lead to collegial apathy and the latter to anarchy.

By contrast, collegial self-governance has several constructive functions that must be harnessed for the sake of a vigorous academic community:

- –it flexes the administrative, self-governing muscle of the faculty—preventing them from apathy and indifference in which the university would be completely governed by professional administrators;
- –it facilitates (even forces) cooperation of individual faculty members who have little spontaneous inclination for same;
- –it ensures that the rules governing the university's operating core remain supple and flexible, and retain a degree of ambiguity, so that the operating structure of the university does not assume a higher degree of structural rigidity than would be consistent with the changeable, ever moving research frontier.

In sum: By opting for the limited efficiency of self-government over centrally administered efficiency, the university protects the academic heartland of teaching and research from the encroachment of bureaucracy and resists the separation of planning and execution that is an essential characteristic of bureaucratic hierarchies.

But, the constructive side of academic self-government is always on the verge of being cancelled out by the equally basic tendency towards stasis, groupthink, and conformism. It seems to invite lack of energy and the meandering drift of decisions affected by random events. To harness the constructive and tame the destructive and self-serving side of self-governance requires that the self-governing peers encounter countervailing forces in the university. The most important of these is the president.

Notes

1 Laurence Veysey, 'From Germany to America', *History of Education Quarterly*, 13(4) (1973), 401–407; for the department as the key unit of academic governance, see also Judith Dozier Hackman, 'Review of University Organization: A Matrix Analysis of the Academic Professions', *Administrative Science Quarterly*, 30(3) (1985), 429–431.
2 Talcott Parsons and Platt, *The American University* (Cambridge, MA: Harvard University Press, 1973), 5.
3 Charles Homer Haskins, *The Rise of Universities* (Ithaca, NY: Cornell University Press, 1972).
4 Stephen C. Ferruolo, *The Origins of the University: The Schools of Paris and Their Critics, 1100–1215* (Stanford University Press, 1985). E. D. Duryea, 'Evolution of University Organization', in *'Evolution of University Organization' in : Organization and Governance in Higher Education*, ed. by M. Christopher Brown, Jason E. Lane, and Eboni M. Zamani-gallaher (Boston, MA: Pearson Learning Solutions, 2010). Departments quickly became powerful, so much so that they could be chastised for having "too much autonomy" and being "practically self-governing," 25.
5 Burton R. Clark, *The Higher Education System: Academic Organization in Cross-National Perspective* (Berkeley, CA: University of California Press, 1983), 45.
6 Ibid. 47.
7 Parsons and Platt, *The American University*, 111.
8 Clark, *The Higher Education System*, 111.
9 "*Gelehrte gehen nicht gerne mit einander um. Denn der Umgang dient ihnen nicht zur Erholung, wenn sie in einerlei Felde gelehrt sind. Es ist auch angenehmer, einen Wisbegierigen, der ohne ialousie ist, zu belehren.*" Immanuel Kant, *Reflexionen Kants Zur Anthropologie. Aus Kants Handschriftlichen Aufzeichnungen*, ed. by Benno Erdmann (Leipzig: Fues's Verlag, 1882), 170.
10 Terry N. Clark, *Prophets and Patrons: The French University and the Emergence of the Social Sciences* (Cambridge, MA: Harvard University Press, 1973), 66–94, 67.
11 Parsons and Platt, *The American University*, 111.
12 Ernest Victor Hollis, *Toward Improving Ph.D. Programs* (American Council on Education, 1945), 194.
13 Parsons and Platt, *The American University*.
14 Ibid.
15 Ibid. 133.

16 Quoted in Hollis, *Toward Improving Ph.D. Programs*, 20.
17 Despite important changes, the situation in Germany remains shaped by the chair/institute model. For a recent critique, see Reitz, Tilman and Silke van Dyk, "Projektfoermige Polis und akademische Prekaritaet." (Conference Paper.) Soziologie als Beruf. Wissenschaftszentrum Berlin (WZB), February 2016.
18 Andrew Abbott, 'The Disciplines and the Future', in *The Future of the City of Intellect: The Changing American University*, ed. by Steven G. Brint (Palo Alto: Stanford University Press, 2002), 205–230. For a conceptually sharp discussion of the role of departments at the intersection of university and discipline organization, see also Taya Louise Owens, 'The Role of Academic Departments in Academic Innovation: An Analysis of the Adoption of New Graduate Degree Programs in the State University of New York, 1975–2005', Ph.D. Dissertation, State University of New York at Albany, 2015.
19 Rudolf Stichweh, 'The Sociology of Scientific Disciplines: On the Genesis and Stability of the Disciplinary Structure of Modern Science', *Science in Context*, 5(1) (1992), 3–15.
20 Parsons and Platt, *The American University*, 113 and 126.
21 Ibid. See also: Hawkins, *Pioneer: A History of the Johns Hopkins University*, 113.
22 This is reflected in the customary expectation that American professors allocate about 10–20% of their time towards 'administrative service,' with research and teaching making up the remaining 80 or 90%.
23 Alvin W. Gouldner, 'Cosmopolitans and Locals: Toward an Analysis of Latent Social Roles. I', *Administrative Science Quarterly*, 2 (1957), 281–306.
24 Tony Becher and Paul R. Trowler. *Academic Tribes and Territories* (Open University Press, 2001).
25 Andrew Abbott, *Chaos of Disciplines* (Chicago and London: University of Chicago Press, 2001)
26 Duryea, 'Evolution of University Organization', also in (and quoted after): Jason E Lane, *Organization and Governance in Higher Education*, ASHE Reader, 6 edition (New York: Pearson Learning Solutions, 2010), 8.
27 According to Russell et al., the average department in a four-year institution has 18 faculty members (12, if only full-time appointments are counted). Susan Higley Russel, Robert C. Cox, Cynthia L. Williamson, and James M. Boismier, *A Descriptive Report of Academic Departments in Higher Education Institutions* (Providence: U.S. Dept. of Education, Office of Educational Research and Improvement, 1990).
28 Irene W.D. Hecht, *The Department Chair as Academic Leader* (Phoenix: Oryx Press, 1999).
29 Max Weber, *Economy and Society: An Outline of Interpretive Sociology* (Berkeley, CA: University of California Press, 1978), 271–282.
30 Heinz-Dieter Meyer, 'The New Managerialism in Education Management: Corporatization or Organizational Learning?' *Journal of Educational Administration*, 40 (2002), 534–551.
31 Don M. Randel, 'The Myth of the Academic Community', in *Public Discourse in America: Conversation and Community in the Twenty-First Century*, ed. by Judith Rodin and Stephen P. Steinberg (Philadelphia: University of Pennsylvania Press, 2003), 227–231, 229.
32 William Readings, *The University in Ruins* (Cambridge, MA: Harvard University Press, 1996), 180–181.
33 Haskins, *The Rise of the Universities*, 50.
34 Karl E. Weick, 'Contradictions in a Community of Scholars: The Cohesion-Accuracy Tradeoff', *Review of Higher Education*, 6 (1983), 253–267.
35 Heinz-Dieter Meyer and Alain Elie Kaloyeros, 'What Campuses Can Do to Pick Up the Pace of Decision Making', *The Chronicle of Higher Education*, June 10, 2005.

36 Michael D. Cohen, James G. March, and Johan P. Olsen, 'A Garbage Can Model of Organizational Choice', *Administrative Science Quarterly*, 17 (1972), 1. See also: Michael Cohen and James March, 'Leadership in an Organized Anarchy', in *Leadership and Ambiguity: The American College President* (Boston, MA: Harvard Business School Press, 1986).
37 Cohen, 'A Garbage Can Model of Organizational Choice', 2.
38 Ibid.
39 Cohen and March, *Leadership and Ambiguity*, 203.
40 Gordon Johnson, *University Politics: F.M. Cornford's Cambridge and His Advice to the Young Academic Politician* (Cambridge, UK: Cambridge University Press, 1994), 93–110. (Original publication: London: Bowes & Bowes, 1908).
41 Ibid. 93.
42 Ibid. 105.
43 Cornford's satire masks his highly original analysis of "rhetorics of reaction" as recognized by Albert O. Hirschman's, *The Rhetoric of Reaction* (Cambridge, MA: Harvard University Press, 1991).
44 In the German context, a successor to Cornford is Niklas Luhmann's "Wabuwabu in der Universitaet . . ." except that on Luhmann's satirical stage the set of actors has expanded to include a further role: the students. (I know, I was there.) in: Niklas Luhamnn, *Universität als Milieu: kleine Schriften* (Bielefeld, Germany: Haux, 1992), 30–48.
45 Alexander Hamilton, James Madison, and John Jay, *The Federalist Papers* (New York, NY: Bantam, 1982), 357.
46 Karl E. Weick, 'Educational Organizations as Loosely Coupled Systems', *Administrative Science Quarterly*, 21 (1976), 1–19. For an attempt to update Weick's concept of loose coupling, see Heinz-Dieter Meyer, 'From "Loose Coupling" to "Tight Management"? Making Sense of the Changing Landscape in Management and Organization Theory', *Journal of Educational Administration*, 40 (2002), 515–520.
47 Weick, 'Contradictions in a Community of Scholars'.
48 Irving Lester Janis, *Victims of Groupthink: A Psychological Study of Foreign-Policy Decisions and Fiascoes* (Michigan: Houghton Mifflin Company, 1972)
49 Weick, 'Contradictions in a Community of Scholars', 26.
50 Ibid. 15.
51 Ibid. 23.
52 In: Johnson, *University Politics*, 109.
53 Simon Marginson and Mark Considine, *The Enterprise University: Power, Governance and Reinvention in Australia* (Cambridge, MA: Cambridge University Press, 2000), 116.
54 David Damrosch, *We Scholars: Changing the Culture of the University* (Cambridge, MA: Harvard University Press, 1995).

12 Executive Presidents

Compared to German (and continental European) precedent, the governance of the American university presents two innovations. The first is the replacement of the chair/institute structure by the department/discipline configuration. But at the top of the organization we find an equally radical transformation. There, executive presidents, appointed by boards, not rotating figureheads elected by the faculty or appointed by governments, control the reigns of the university.

The twin institution of executive presidents and boards of trustees represents an innovation which lends vigor and independence to the governance of the American university that is absent in virtually all other academic systems. In the United States, university presidents are chief executives with relatively long tenure, not short-term appointees who rotate out of office after barely learning the ropes. And boards of trustees are independent custodians of the academy, not the extended arm of a government, church, or political party.

In this section, I mainly discuss the role of the president. I'll return to the institution of boards of trustees in the next chapter.

Just as the American university replaced the chair-plus-institute structure with the department, so it also introduced an important innovation at the level of institutional leadership, replacing the German figurehead-plus-government minister structure with the president-plus-board configuration.[1] It is this reshaping of the leadership structure that makes the American university the first which is truly self-governed at the organizational level, led by a strong executive president who can influence its course, nudge it into new directions, and shape its profile in ways few of his or her peers in other countries can.[2]

The significance of the American university's mode of self-governance by means of an executive president may have escaped commentary in part because it runs counter to an often reported self-perception of American university presidents and those who have written about it.[3] In their self-perception, American university presidents often see themselves as furnished with very limited powers, hamstrung by a multitude of external constraints. Cohen and March, in their influential analysis of academic decision making

discussed in the previous chapter, went so far as to declare the American university presidency "an illusion."[4]

But the implicit comparison here may often be with a corporate leader who can give weight and urgency to her wants by hiring and firing at will, moving budgetary allocations from one project to another, or by creating new lines of business for her company. In this comparison, the university president would hardly seem to measure up. But when compared with the type of leader we find in most higher education systems around the world, including the German, the American university president emerges as a remarkably muscular force, an executive who can innovate on a large scale—and who is able to do so without necessarily squashing the initiative and sense of ownership of the faculty. In fact, while the president's strong executive leadership is a key force in taming the ever-present self-serving tendencies of his faculty, it is also essential to harness the faculty's constructive self-governing energies.

The Powers of the President

While the American university president's prerogatives include few areas where he can make unilateral decisions, the position nevertheless gives him or her authority in major issue areas:

- –She holds a strong voice in the all-important hiring, firing, and tenure decisions. Arrangements differ, but in most research universities the president has an important role in the selection and promotion of new faculty.[5]
- –Her control over faculty positions is further enhanced when positions vacated due to resignation or retirement revert to the president, rather than remaining "property" of the department.
- –She enjoys significant budgetary control, as the university receives financial allocations in the form of "block" grants rather than "line item" budgets, giving presidents room to maneuver and rededicate financial resources in ways they see best adapted to their overall vision for the university's development.
- –In rare events where departments become dysfunctional or chronically unproductive, or where their teaching or research no longer aligns with the university's overall mission, a president can close a department or put it into "receivership."
- –Presidents have the power to initiate sometimes far-reaching restructuring of the university's research and teaching portfolios. Thus, a president may lead a university into the creation of new research concentrations, as the president of UC Berkeley did when building a new bio-science research focus, for which he closed or reconfigured several existing biology departments and hired large numbers of new faculty.[6] Many faculty at American universities have seen

similar top-down initiatives designed to reconfigure and expand a university's existing strengths in ways better aligned with changing demands or a changing research frontier. Arizona State University, under its president Michael Crow, has possibly gone farthest in this direction, largely replacing the traditional disciplinary structure with problem-focused research centers. For example, ASU's center for the study of religion and conflict draws on scholars of religion, culture, and sociologists and psychologists.[7]

All of these forms of presidential intervention allow the American university president to exercise strong leadership compared to presidents in other countries with more limited authority whose actions are jealously watched and constrained from above (by a government minister) and from below (by the faculty).

Factors in the Emergence of a New Type of University Leader

Martin Trow is one of the few scholars who have emphasized the distinctive role of the American executive university president.[8] Trow traces the strong executive president to the colonial small colleges, which were typically presided over by a single individual combining in one person the roles of scholar, instructor, fund-raiser, and top administrator. David Labaree instructively discussed the power of these decentralized amateur beginnings of American higher education in terms of the "power of the parochial."[9]Another factor that surely played a role in the creation of the American executive president role was the American college's Protestant origin. Many of the colonial colleges were created by Protestant sects vying for influence. With a religious sect as the mother ship, the college, which was to train ministers and educate future professionals in the group's faith, was of strategic importance if it wanted to expand its followership. Constituted as local and independent entities, their fate depended to a good extend on the energy and skill of their leading officers.

Lastly, the American college president, however modest his empire, could draw on a genuinely American model of leadership that extolled the benefits of the strong executive leader in the country's constitutional debate on the demands of the nation's highest political office. In his *Federalist Papers* #70, Hamilton was concerned that the several states, in order to avoid a strong power above them, would seek to create a weak presidency and install a committee instead of an individual—a motivation quite analogous to that of European professors who preferred a weak "*primus inter pares*" figurehead president (or a council of same) to a strong executive president.[10] In support of the strong executive model, Hamilton posited that the prerequisites of energy in the executive are "unity," "duration," and "adequate provision for its support."[11] "Decision, activity, secrecy, and despatch will generally

characterize the proceedings of one man in a much more eminent degree than the proceedings of any greater number; and in proportion as the number is increased, these qualities will be diminished."[12] In contrast to a single executive, "plurality in the executive . . . tends to conceal faults and destroy responsibility."[13]

Thus favored by long-standing scholarly practice and accepted political precedent, American university presidents were able to assume powers that would have seemed positively tyrannical to their peers in other countries.

But a full appreciation of the successful entrenchment of a new model of university leadership requires that we consider the role of Charles Eliot, Harvard's first modern president who, in his 40 years at the helm of Harvard, turned a venerable but teetering institution into a model of the new American university. In the process he did as much as anyone to institutionalize the new model of the strong executive president.

The Role of Charles Eliot

In the history of American higher education, Charles Eliot occupies a position of singular influence. We already saw that he was a leading force in the creation of the new college-cum-university. But he also created the mold and model for a new type of academic leadership: an executive university president that is forceful, decisive, and transformational. Without Eliot, transformational leaders that came after him—including a brash young Robert Hutchins taking over and transforming Chicago University, or a Herbert Simon, who attended Chicago during Hutchins's reign and founded a new type of business school—would have encountered many more obstacles. And without Eliot's energetic coalition building with the presidents of other leading universities, we would not have the form of higher education self-regulation in the form of voluntarily adopted standards, whose chief architect he was.[14]

Significantly, Eliot's reign coincides with Harvard's transition from what was effectively a state college (governed and supported by the state of Massachusetts) to an independent institution largely supported by private munificence. Through these changes, Harvard, in effect, shed its government dependence and morphed into an independent institution, bolstered by Boston's cultural and commercial elite and their well-connected friends and associates—many of them Harvard alumni—at a time when Boston was a "city in which intellectual, financial, and social circles were still largely overlapping."[15]

Eliot's election to the presidency followed something of a well-orchestrated campaign on his part, which included the publication of a two-part essay in the influential *Atlantic Monthly* (1869) in which he argued that the American university had to educate the "trained expert" demanded by America's rapid industrialization, not the broadly educated amateur. Eliot became Harvard's longest serving president (1869–1909) and the architect of its

wholesale organizational renovation. He reorganized Harvard into schools and departments. He fulfilled Ticknor's lifelong dream of introducing the elective system, replacing recitations with lectures and seminars. He also expanded the university's laboratories, libraries, classrooms, and athletic facilities. He made the university a home for big professional schools not only in the traditional professions of medicine and law, but also in emerging professions like education and business. One of his key innovations was to graft the "graduate school" on top of the existing colleges. With Eliot's reforms, research became a basic component of the university's mission. The requirement of a college degree to enter professional school became the dominant model. "[L]iberalization first, then specialization" was, according to Louis Menand, Eliot's most "original and revolutionary idea."[16]

Eliot's transformation of Harvard was guided by an unerring compass in matters of educational philosophy, which he rarely had occasion to adjust. At a time when the admission of African Americans, Catholics, Jews, and other minority groups still raised eyebrows in most academic quarters, he was Harvard's major force behind diversifying the student intake both internationally and domestically. Under Eliot, Harvard became America's most socially diverse college. Famous graduates during Eliot's reign included W. E. B. Du Bois, a member of the class of 1890, and Booker T. Washington, who was awarded an honorary degree in 1896.

Eliot pursued his leadership with a mix of relentless energy, autocratic decisiveness, paternalism, and the force of forward looking schemes he had first laid out in the *Atlantic Monthly*. He reined in big-ego professors and department chairs, boasting of his strong influence in hiring new faculty.[17] But while he could be autocratic, he also had a knack for collaborative leadership. Eliot enjoyed working out his ideas in the context of discussions with members of his sizable "invisible college," which included leading Harvard professors like William James and other university leaders like Columbia's Butler, Johns Hopkins's Gilman, and Cornell's White. Eliot was certainly America's most well-connected university leader. Among his correspondents were the presidents of virtually all leading universities, with whom he enjoyed good rapport and cultivated an easy exchange of opinion. This network of independent-minded academic leaders was the breeding ground for the ideas and practices that established a critical mass of self-governed research universities by the turn of the century.

Buoyed by Harvard as his "bully pulpit," Eliot also pioneered a new role of the university president as civic leader. His 40 year tenure at Harvard propelled him to the national stage as opinion leader for progressive causes. In education, his views were sought after by politicians and philanthropists alike. Especially consequential was his cooperation with Andrew Carnegie and the newly founded Carnegie Foundation for the Advancement of Teaching (CFAT). Eliot had a leading role in creating general standards for American higher education, such as the "Carnegie Unit," which would make academic work comparable across institutions and make university access

less dependent on having enrolled at one of a few selective feeder schools. Eliot forged powerful coalitions that resulted in major advances in higher education policy and practice, without requiring government intervention. What in other countries would have been the work of a powerful minister of education, Eliot accomplished relying only on voluntary associations and the vital powers of the civil society.

Champion of Financial Independence

Not everyone at Harvard was pleased with the vastness of his ambitions to expand Harvard's scale and scope and the security of its financial footing. William James's "Ph.D. Octopus" was written largely against the Harvard of Eliot, where educational credentials weighed more, in James's view, than "character" and "genius."[18] But in this Eliot was driven by a keen awareness that universities in the United States had to embark on a path different from those in Europe. In particular, they had to find a basis of operations that was independent of government money:

> Every one of the famous universities of Europe was founded by Princes or privileged classes—every Polytechnic School, which I have visited in France or Germany, has been supported in the main by Government. Now this is not our way of managing these matters of education, and we have not yet found any equivalent, but republican, method of producing the like results. [. . .] The Puritans thought they must have trained ministers for the Church and they supported Harvard College—when the American people are convinced that they require more competent chemists, engineers, artists, architects, than they now have, they will somehow establish the institutions to train them. In the meantime, freedom and the American spirit of enterprise will do much for us, as in the past. . . .[19]

Eliot knew that without ample financial resources, no American university would be able to match her European peers. And he was determined that these resources would *not* be gained at the price of making the university dependent on government. By dramatically expanding Harvard's fleet of graduate and professional schools, he was also expanding the university's donor base and thus its financial independence. Throughout his 40 years, he wooed donors from among the nation's growing financial aristocracy, putting it on a path to become the most influential (and wealthiest) private university in the world.[20]

Executive Presidents as Agents of Innovation and Diversity

By the time he was finished, Eliot had created a new model of university leadership. Considered one of the country's most distinguished institutions,

the new leadership model could be imitated by other universities. Thus, when the trustees of Chicago or Stanford looked for the kind of leader that could put their universities in a class with Harvard, they picked similarly young, brash, and self-assured scholars like Hutchins and Jordan and gave them a similarly free reign to put their universities on the map.

But, characteristically, while they imitated Eliot in influence and power, they also felt free—even compelled—to come up with their own ideas and directions. Time and again, White at Cornell, Gilman at Johns Hopkins, Butler at Columbia, Wilson at Princeton, and dozens of equally distinguished leaders listened to one another's advice, but then went their own way in leading their institutions down distinct paths. Woodrow Wilson, as president of Princeton, became rather critical of what he saw as Eliot's neglect of a culture of liberal (undergraduate) education in the spirit of community. His ideas influenced not only Eliot's Harvard successor Abbott Lawrence Lowell, but were also picked up when a young Robert Hutchins began to reform Chicago.

Nor did this method of collegial consultation plus independent action end with the founder generation. As Hutchins differed from Eliot, so did Chicago alumn Herbert A. Simon differed from Hutchins when Simon and his colleague Richard Cyert got a chance to lead institutional innovations at Carnegie Mellon, which was started in 1948 as Carnegie Institute of Technology. Simon and Cyert (who became dean of Carnegie's Graduate School of Industrial Administration and later president of Carnegie-Mellon [1972–1990]), not only collaborated in research that put organization and decision theory on behavioral foundations. Together with Cyert, Simon also created the "new model business school" in order to bring business education "into closer relation with fundamental work in the behavioral sciences and economics."[21] In a 1957 letter to the chancellor of Chicago University, Simon declared that ". . . most of those responsible for the anticipation [of the new model business school] were products of the Chicago of Bob Hutchins. . . ." "Perhaps it was because we acquired at Chicago some of the same brashness that I complain of in Hutchins that we felt as free as we did to flout tradition."[22]

Later the Ford Foundation put its considerable resources behind the Carnegie model of business education and helped its wider adoption across the United States and Europe: "The Ford Foundation, seeking to improve business education, used its golden carrots to push and pull other business schools toward the road GSIA had pioneered."[23]

More recent American university presidents—Jacques Barzun, Theodore Hesburgh, Clark Kerr, Derek Bok, Frank Rhodes, Frank Duderstadt, William Bowen, or Michael Crow, to mention a very few, have similarly placed their imprint on their institutions. When these presidents took the helm of the institution entrusted to them, they created institutional mutations, which, having stood the test of time, other universities could adopt and adapt. I will explore later how the sum of these smaller or larger innovative

departures may be seen as a process of *institutional learning* that may go some length in explaining the American university's unusual institutional vitality.[24]

The point here is that the American university cannot be conceived without taking into account the contributions of generations of outstanding leaders who took full advantage of their power to choose courses of action that resulted from their own judgment, rather than merely following government regulations or enacting scripts of academic behavior written elsewhere.

Long Tenure

The impact of these leaders was further aided by an often stupendous longevity in office. Competing with Eliot's 40 years at Harvard were leaders like Butler at Columbia (1900–1945), Hutchins at Chicago (1930–1951), Conant at Harvard (1933–1955), Bok at Harvard (1971–1991), Hesburgh at Notre Dame (1952–1987), Rhodes at Cornell (1977–1995), and Bowen at Princeton (1972–1988), to name a few. Meanwhile, university leaders in some of Europe's leading institutions succeeded only recently in getting their tenure extended from two to four years![25]

The significance of the executive style university president is thus not fully grasped if we consider only the impact they had on their respective institutions. Equally or more important is the fact that free and independent presidents were able to become a reference group—a kind of 'invisible college'—for each other. Where German university leaders were subordinates to the minister (which made them subalterns whose gaze was turned upward to the minister and downward to their faculty), American presidents could look horizontally—towards their peers for exchanging ideas, inspiration, and reality checks.

The institution-building cooperation among these presidents seems to me a wrongly overlooked feature of the American university system from which many of its innovative departures sprung.

When university presidents in other countries interact, it is typically in the context of administrative meetings orchestrated by government, where their debate is structured by political agendas and bureaucratic rules. American presidents, by contrast, have been free to debate and able to challenge convention. "Competition," which economists often see as key characteristic of the inter-relations of American university, is thus not fully descriptive of their behavior. They "competed" the way scholars might engage in debate—appreciative of one another's views, while struggling to articulate their distinct approaches or perspectives.

Their goal was not to outdo or annihilate "the competition," but to accrue support, recognition, and renown for their contributions. The game they engaged in was win-win (something that is easily forgotten in an age of rankings, where one institution's advance up the scale can only be had at the expense of another's decline).

From One to Many Humboldts

In Germany, a similarly influential frank and open debate among well-informed, independent minds unafraid to speak took place only once: in the period running up to Humboldt's path-breaking design choices in 1806. As we saw above, the likes of Schleiermacher, Kant, and Fichte participated in the debate leading up to those choices.

And while those pioneering authors disagreed in important respects, Humboldt's design choices emerged from an attempt to do justice to most of them. But as German higher education became centralized and calcified under Prussia's bureaucratic government, the spirit of collegial consultation and debate was replaced by ministerial fiat. An all powerful minister has no peers. Expected to act as the highest ranking government official, he may consult and listen, but he does not need to engage. He has neither occasion nor reason to question his own mind the way someone must when engaged by a group of equals. He needs neither humility nor moderation, which facilitate such questioning. Thus, Althoff's over-reach, his imperial governing of Prussia's universities, was not merely a personal failing. It was an institutional failing.

With the exception of Heidegger's disastrous term as president of the university of Freiburg, there are few other German university presidents who made a name for distinct leadership initiatives comparable to the many dozen great American university presidents. While Humboldt's genius is justly celebrated in Germany and around the world, a vital system of higher education depends critically on an *unbroken chain* of leaders who share the qualities of thoughtful yet strong, collaborative yet decisive leaders with a penchant for detail as well as bold understanding of the possible. Germany has had but very few such leaders. Arguably, the American university has, since Eliot, benefitted from a succession of such leaders.

Summary

At the level of the individual organization, the American university solves the problem of effective organizational self-government that neither its Humboldtian nor its Oxbridge predecessor were able to solve. Humboldt the scholar wanted to provide professors with largely untrammeled autonomy in "solitude and freedom." But in his practice as the new university's first governor, he quickly despaired over the difficulty of reining in the strong and willful egos that their freedom brought. To date, efforts to rein in these oligarchical or merely opportunistic tendencies of the autonomous professors seem to have typically taken the form of coercive centralized control à la Althoff, or the more recent coercive accountability measures like the British government's "Research Assessment Exercise."[26] By contrast, the key virtue of the American system of semi-autonomous departments and strong executive presidents is that it facilitates cooperation and

energetic self-government at the organizational, or what Burton Clark calls the "enterprise" (as opposed to the "system"), level.[27] This lends an aspect of energetic and nimble maneuverability to the American university that is lacking in most other models. The combination of strong departmental self-government with strong executive powers creates a dynamic of countervailing powers and punctuated autonomy, giving both departments and presidents real power to control their affairs, but also to check and balance each other.

The American university grants professors real power by putting them in charge of crucial matters of faculty hiring and promotion, teaching, certification, and research. Likewise, the university president's power in matters of finances, policy and management, admission, and faculty recruitment provides them with levers to navigate the course of the university as a whole. Both, faculty and president thus exert influence, creating normative pressures that discourage free-riding. Departments hold every professor's feet to the fire of academic cooperation, and make them jealously watch each others' contributions to self-government. Meanwhile, strong presidents have the power to navigate the university as a whole and, where needed, break up the faculties' gridlock that may result from the peers' self-government.

At its best, the American university thus combines a faculty with real powers of self-government with effective executive authority. It grants the faculty a high, but not unlimited, degree of autonomy in matters of research, scholarship, and teaching, and gives the president the power to influence or counteract faculty judgment and strong executive power in matters of policy of the overall institution. This creates a situation in which both parties control important parts of the university—while also making them dependent on each other's agreement.

Unsurprisingly, this kind of continuous calibration and recalibration is unlikely to occur without significant conflict. As we shall see later, these conflicts, marked occasionally by arbitrary over-reach on the part of boards and presidents, as well as by opportunism and dogmatic resistance to change on the part of the faculty, has, in time, given rise to a further institutional innovation at the micro-level, the institution of "shared governance." I will consider how this institution of shared governance came about when discussing the university's role in the context of the civil society below.

Notes

1 In contrast to the literature on the department, the literature on the executive president as institutional innovation is sparser. Notable exceptions are: Martin Trow, 'Comparative Reflections on Leadership in Higher Education', *European Journal of Education*, 20 (1985), 143–159 and E.D. Duryea, 'Evolution of University Organization,' in *Organization and Governance in Higher Education* (Boston, MA: Pearson Learning Solutions, 2010). A very informative contemporary account, written by a former president, is James O. Freedman, Presidents and Trustees, 9–27, in *Governing Academia*, ed. by Ronald G. Ehrenberg (Ithaca, NY: Cornell University Press, 2005), 9–27.

2 I'll use "president" here as shorthand for the executive structure we find at most American universities, which is a leadership structure made up of the president, the chief operating officer (who usually carries the title "provost"), a sizeable executive staff, including divisional vice presidents and deans, the president him- or herself, and the board of trustees appointing the latter.
3 While the 'loose coupling/organized anarchy' tradition has contributed to the image of a weak presidency, the past few decades have seen a strong push towards "tightening loose couplings", as discussed in Heinz-Dieter Meyer's 'From "Loose Coupling" to "Tight Management"? Making Sense of the Changing Landscape in Management and Organization Theory', *Journal of Educational Administration*, 40 (2002), 515–520.
4 Michael D. Cohen and James G. March, *Leadership and Ambiguity: The American College President* (Boston, MA: Harvard Business School Press, 1986), 2.
5 See Henry Rosovsky, *The University: An Owner's Manual* (New York and London: W.W. Norton & Company, 1991), 196–198, for a portrayal of Harvard's president's strong role in the faculty recruitment process.
6 Trow, 'Comparative Reflections on Leadership in Higher Education', 157.
7 Michael M. Crow and William B. Dabars, *Designing the New American University* (Baltimore, MD: Johns Hopkins University Press, 2015).
8 Ibid.
9 David F. Labaree, 'A System Without a Plan: Emergence of an American System of Higher Education in the Twentieth Century', *Bildungsgeschichte: International Journal for the Historiography of Education*, 3 (2013), 46–59 and David F. Labaree, 'The Power of the Parochial in Shaping the American System of Higher Education', in *Educational Research: The Importance and Effects of Institutional Spaces*, ed. by Paul Smeyers, Marc Depaepe, and Edwin Keiner (Dordrecht: Springer Science & Business Media, 2013), 31–46.
10 See Burton R. Clark, *The Higher Education System: Academic Organization in Cross-national Perspective* (Berkeley, CA: University of California Press, 1983), who points out that the chair system as a case of "personal rule" in the university is associated with weak executive powers.
11 Alexander Hamilton, James Madison, and John Jay, *The Federalist Papers* (New York, NY: Bantam, 1982), 355.
12 Ibid. 356.
13 Ibid. 358.
14 Hugh Hawkins, *Between Harvard and America: The Educational Leadership of Charles W. Eliot* (Cambridge, MA: Oxford University Press, 1972).
15 Louis Menand, *The Metaphysical Club: A Story of Ideas in America* (New York: Farrar, Strauss and Giroux, 2001), 98.
16 Louis Menand, *The Marketplace of Ideas: Reform and Resistance in the American University* (New York: W.W. Norton & Company, 2010), 45.
17 Laurence R. Veysey, *The Emergence of the American University* (Chicago, IL: University of Chicago Press, 1965), 304.
18 William James, 'The Ph.D. Octopus', in *Essays, Comments, and Reviews* (Cambridge, MA: Harvard University Press, 1987), 67–74.
19 Henry James, *Charles W. Eliot, President of Harvard University, 1869–1909* (Boston, MA: AMS Press, 1930), 147.
20 When Max Weber visited the United States in 1904. According to Lawrence A. Scaff, *Max Weber in America* (Princeton, NJ: Princeton University Press, 2011), his travels included a trip to Boston and a meeting with William James at a time when Eliot was still in office. The memory of Harvard's decisive executive leader must have been in Weber's mind when in his fight against an autocratic Friedrich Althoff he came to pronounce that "in America there is an Althoff at every university."

21 Herbert Simon, *Models of My Life* (New York: BasicBooks, 1991), 154.
22 Ibid. 155.
23 Ibid.
24 For portraits of some of these leaders and their accomplishments, see Jeffrey O'Connell and Thomas E. O'Connell, *Five 20th-Century College Presidents: From Butler to Bok (plus Summers)* (Durham, NC: Carolina Academic Press, 2012) and Arthur Padilla, *Portraits in Leadership: Six Extraordinary University Presidents* (Westport, CT: Greenwood Publishing Group, 2005).
25 Only in 1992 did Cambridge University extend the Vice-Chancellor's tenure from two to five years! See Gordon Johnson, *University Politics: F.M. Cornford's Cambridge and His Advice to the Young Academic Politician* (Cambridge, UK: Cambridge University Press, 1994), 16.
26 For a trenchant analysis, see Simon Head, 'The Grim Threat to British Universities', *New York Review of Books*, 2011, http://www.nybooks.com/articles/archives/2011/jan/13/grim-threat-british-universities/
27 In contrast to the American model, the individual university in many other countries, including Germany, has traditionally been "largely a nominal organization," resulting in a lot of "mandated similarity," but there are efforts underway to change that. Clark, *The Higher Education System*, 134 and 104 respectively.

13 Infrastructure of Independence

> "In our country we desire our Universities to be under the control neither of the Government, nor of any religious denomination. . . . Hence, it is required that they be established by private munificence, and be placed under a corporation of private individuals. . . ."
>
> Henry P. Tappan[1]

Universities in most parts of the world are creatures of either church or state, governed by a bishop or minister, and funded by church income or taxes. The American university, in a major historical shift, changes that. It achieves the institutional emancipation of the university from external, non-academic oversight and establishes itself on a plan of organizational independence and self-governance. The process by which the American university became an independent institution, rather than a creature of state, church, or market, constitutes the major design innovation at the macro level. But it also raises some interesting questions. We know, for example, that absence of strong government control often means weak quality standards.[2] How did the American university beat this trend? In the United States, despite the absence of central government controlling and governing the university, higher education assumed an astounding degree of coherence at a high level of quality. Everywhere else in the world, such feats of coordination and standardization would most likely have been accomplished by the coordinated efforts that are the prerogative of central government action. In the United States, fortuitous coincidences conspired to produce institutional innovations, which, together, produced a system of higher education with high quality standards coupled with low degrees of government control. In this chapter, I consider the key institutions that made this innovation possible: the trustee-governed corporation; philanthropy and the philanthropic foundation; and the American alumnus. Together, these institutional innovations have changed the complexion of higher education from a uniform state franchise into an assemblage of distinct and independent institutions connected through myriad sentimental ties to overlapping communities of supporters and stakeholders.

The American Appropriation of the Corporate Form

The American university is not a state institution governed by ministerial officials, but a civic corporation governed by a board of trustees. (This is true even for that branch of American higher education normally called "public.") The corporate form first came into use when scholars in Paris and Bologna banded together in guilds ("university," recall, was an early term used by craftsmen and merchants to designate "guild"—as in "university of boilermakers") to control quality standards and entry into their trade. The emergence of guilds of scholars was due to the re-discovery of the works of Aristotle, Euclid, and Ptolemy that came to Europe via the Arab scholars of Spain, making available "new knowledge [that] burst the bonds of the cathedral and monastery schools and created the learned professions. . . ."[3] It created a group of academic specialists who were versed in the new literature and who came to be sought after for their specialized knowledge. But these learned professionals still needed to find a suitable institutional form. For this, Paris and Bologna were the places in which the largest number of scholars found the most favorable conditions.

In Paris, according to Charles Bidwell, "[t]he rise of guilds provided a structural format that could be appropriated by groups of teachers that came together in response to this demand."[4] In Bologna, the moving cause was students banding together to negotiate better prices vis-à-vis the local landlords and teachers, clamoring for cheap rents, low tuition payments, and scholarly diligence.[5] In Paris, the scholars who wanted to secure their fees as well as their control over the curriculum sought the freedom that would facilitate the new kinds of scholarship. But groups of scholars banding together to control the activities of higher education, which generated so much new interest among students, inevitably generated conflict with local authorities. To some scholars, reaching out to the Vatican as a strong, but distant ally, promised more autonomy than caving in to the controlling efforts of more proximate local authorities. From the point of view of the actors concerned, obtaining a charter from the Pope would leave them with more freedom than they would get from local authorities. As Bidwell put it:

> Capitalizing on papal efforts to constrain the power of the cathedrals and forming something of a coalition with the papacy, the teachers were able to secure a guild-like charter, establish their own organizational government, and fix the rules and ceremonies for inducting teachers, regulating their teaching, and judging and graduating students.[6]

The Vatican for its part had its own reasons for wanting to establish a say in the matter of the nascent institution. As universities (along with municipalities, charities, and other self-organized institutions) became more numerous and more influential, they began to form those "intermediate institutions" (intermediate between individuals and families on the one hand and central

authority of church or monarch on the other) that Montesquieu regarded as a safeguard for political liberty against the despotic tendencies of absolute states. To maintain control over these potentially destabilizing sprouts of independence, central authorities tried to keep a watchful eye. A Pope like Innocent IV "began to feel the rumblings of a shift of temporal power to political states and kings."[7] To control these seeds of institutional independence, Innocent reached back to the corporation—a legal fiction of Roman law. This allowed him to treat the new organized bodies like a natural person and regulate their conduct. In 1243 Innocent IV declared universities (along with church organizations, religious fraternities, and other bodies) a corporation. The university now owed its right to exist to the Vatican's grace.

With nation states on the ascendency, they, too, used the corporate form to regal and regulate what would otherwise have remained independent institutions. Universities now had to look to the king for their charters, "and what the king gave, the king could take away."[8] Charters meant that the church or the king could supervise and bestow or withhold approval of what went on at universities. In practice this meant often enough meddling and interfering with intellectual developments that were suspect to the authorities. Scholars like Dante, Galileo, Kant, or the Grimm brothers in Göttingen were at one time or another pressured to bend their work to the dictates of the reigning authority.

Then something interesting happened in the provincial hinterland that was America. Under the political conditions of the Holy Roman Empire and the European monarchies, natural persons as well as corporations were subjects of popes or kings. They derived whatever rights they had from acts of grace of these superior authorities. Locke's "Second Treatise on Government," which became the single most influential philosophical doctrine for the American revolutionaries, changed all that. Locke called for government to be exercised by consent of the governed. Power was now to reside in the people, conceived as sovereign. The democratic sovereign would grant certain political powers to elected officials in order to better govern their common affairs. In light of Locke's reinterpretation, natural persons as well as corporations were fully sovereign. It was they who granted authority to government, not the other way around.

This new interpretation concerning the status of incorporated institutions of higher education was confirmed and cemented in the 1816 Dartmouth College case. The case settled a conflict that originated when the government of New Hampshire sought to appoint the trustees of Dartmouth College. This would have effectively changed Dartmouth from a privately funded institution into an institution of the state. The United States Supreme Court blocked this move by accepting the argument that the college's corporate charter was as a contract between private parties. As party to a contract, the New Hampshire legislature could not alter terms unilaterally and dictate conditions to the college. With this ruling, corporations like colleges came to enjoy the rights of natural persons. The state neither gave them rights nor

had any authority to take them away. Locke's expansive interpretation of individual rights thus turned corporations into institutions protected against government interference. In America, the corporate form that once had been an instrument of external control and dependence turned into an institution of independence. Charters became binding not only on the persons or corporations, but also on government.

Steering at a Distance: The Board of Trustees

Reframed in the context of the Lockean rights revolution, the corporate form turned from an instrument of external discipline into a chief instrument of institutional self-government. But in the absence of their leaders being selected by a minister or bishop, who would direct such an institution and by what means?

While the European university president was answerable to the university scholars or the government minister, the Dartmouth case established that the college or university president did not answer to a political authority, but instead to the college's trustees. With origins in Protestant colleges (i.e., Geneva, Leyden, Scotland, and Protestant Trinity College Dublin), which had no Vatican-like hierarchy to govern them,[9] boards of trustees gradually came into usage in colonial America. In 1701, Yale University enchartered a board of "Trustees, Partners, or Undertakers," later renamed "Presidents and Fellows of Yale College."

For a while, the *external* board of trustees co-existed with the more traditional *internal* "guild-of-scholars" model whereby a university would be governed by a board whose members where drawn chiefly from its own faculty. This was the model that Harvard and the College of William and Mary had initially used. But, as we saw above, Eliot's assumption of the Harvard presidency coincided with the shift from a state-dependent board to an autonomous, self-perpetuating board drawn from Harvard alumni and influential (and usually wealthy) Bostonians. With that change, and following Harvard's rising stature as a premiere seat of higher learning, the American university had found its definite governance structure.

Typically, in descriptions of American higher education, Boards of Trustees do not receive much attention.[10] They simply don't seem to do much. One might almost mistake their role as ceremonial. Yet, boards of trustees are a key prerequisite for the strong executive president discussed above. They also guarantee the political and institutional autonomy of individual universities and their ability to function without governmental oversight. In effect, the trustees take the place of the ministerial bureaucracy in the German model (or the church hierarchy in the medieval model). But the trustees are not state officials. The key requirement is that they be—in the old-fashioned term—virtuous, or, at any rate, successful citizens exhibiting common sense and institutional loyalty. As Burton Clark points out, trustees represent "supervision of an enterprise by outsiders"[11]—but these outsiders

represent a larger interest of the general public, not merely the particular concerns of an interested stakeholder. A trustee is thus a respected public individual, accomplished in his profession, financially independent, and a person of good practical judgment, familiar with the ways of the world and capable of tying the university to other important institutional players.

For Charles Eliot, the ideal trustee was a "business or professional man," "successful in his own calling," as well as "highly educated" and "public spirited,"[12] although the increasing number of trustees with a business background famously made Thorstein Veblen and others worry about universities being run by people who were more interested in their financial than their educational quality.[13]

Today, trustees are expected to represent a diverse mix of expertise from the world of finance, real estate, communications, science, medicine, technology, and engineering.[14] But the key qualification is that they are able to "see the college as a whole."[15] They must command broad experience and independence, instead of being a representative of a particular constituency or interest-group.

There are several rules and mechanisms that ensure a board's independence, including long terms of office: trustees typically serve for decades, not years, thus spanning election cycles and political fashions; and a bicameral system: many universities actually use two, rather than just one board. A larger board of overseers (elected by the university's alumni) and a smaller corporate board that is self-perpetuating. In the case of Harvard, for example, these boards are called the "Corporation" on the one hand and the "Board of Overseers" on the other. The Corporation has seven members and is self-perpetuating (vacancies are filled by majority vote of sitting members). The Board of Overseers is larger and may have several dozen members (the Princeton board has 40 members; that of the University of Pennsylvania has 56 members).[16]

Self-perpetuation is the organizational expression of institutional autonomy. The only requirement a potential trustee must meet is that they have shown themselves to be citizens of proven independence and judgment, preferably with a track record of supporting the university (including financially). A board composed of such men and women is considered to guarantee (as much as is humanly possible) the perspective, judgment, and loyalty to ensure the university's independence and well-being. Most importantly, boards give the president a degree of independence from both the faculty and shifting political winds. In particular, the board can be a great buffer between a faculty and a president who can use the board to counter pressures from politics or stakeholders.

Boards of trustees govern from a distance. A good board contends themselves with the "selection of the best president available," "develops and determines the broad general principles . . . and then leaves the administration and academic processes to the administrative officers and the faculty. . . ."[17] James Freedman, two-time college president, describes Boards as

> active rather than activist, detached and independent, divorced from any of their personal political antecedents, and immune to the pressures of specific constituencies, the appeal of popular prejudices, or the familiar tyranny of the urgent.

The Board's chief responsibility is to define the college's strategic goals in broad terms and to hire and evaluate the president. In addition, trustees "protect their institutions from political pressure and interference."[18]

As universities engage with a plethora of constituents—students, parents, government, industry, agriculture, media, foundations, and a host of others—the trustees must, at times, shield the university from undue pressures emanating from any group, while at times nudging universities towards greater responsiveness to them. Likewise, they may have to protect the president from undue influence from the faculty, and at times nudge him or her towards greater responsiveness. The board of trustees' agencies extend in several directions: they may be agents of the civil society, influencing universities. They are also agents of the university, influencing civil society. Likewise, they may also be agents of a president influencing a faculty, and agents of a faculty, influencing presidents.

Although the board/president configuration is one of the least conspicuous institutional innovations of the American university, it is the lynchpin of its independence. The board/president configuration is also the key prerequisite to *institutional learning*. Its significance lies in its ability to facilitate institutional adaptation: to steer the university through the turbulences of a changing environment and to provide countervailing checks and balances on the twin dangers of presidential overreach and untrammeled faculty autonomy. Compared to the continental model, where governments find few obstacles curbing the imposition of their will on universities, boards of trustees insulate the university "from the white heat of political interests."[19]

Financing Independence: Philanthropy, Endowments, Foundations, Alumni

The trustee-governed corporation represents the legal and institutional mechanism that guarantees the American university's independence from government. But this freedom would remain hollow if it was not also backed by a significant measure of financial independence. While higher education outside the United States is predominantly tax-funded, in the US a significant portion of higher education, especially the standard-setting private or independent colleges, receive sizable amounts of their funding from private donors, foundations, tuition, and the income generated by their endowments. The funding secured in this way plays a strategic role in guaranteeing their independence. The institutions that facilitate this financial freedom include voluntary or philanthropic educational giving, endowments, and independent charitable foundations.

We saw in previous chapters how the private donations by Johns Hopkins, Ezra Cornell, John D. Rockefeller, Cornelius Vanderbilt, and many others were instrumental in creating the American university. This tradition not only continues unabated, it has even reached new peaks of unprecedented largesse.

On July 1, 2013, *Forbes* magazine ran this story: "Billionaire John Arrillaga's $151 million gift to Stanford is the largest gift from a living donor in the university's history. With his name emblazoned on Stanford University buildings from the alumni center to the student gym, John Arrillaga has no shortage of presence at his alma matter. Even so, the billionaire is furthering his influence on 'the Farm' with the largest gift from a living donor in Stanford's history." The real estate developer Arrillaga's gift, the story noted, surpassed the previous record $150 million donation "to Stanford's business school from venture capitalist Robert King and his wife, Dorothy, in 2011."[20] Arrillaga's place in the headlines would soon be outshone by East Coast peers like Charles Johnson ($250 million to Yale), former New York mayor Michael Bloomberg ($350 million to Johns Hopkins in 2013), Gerald Chan ($350 million to Harvard in 2014), and John Paulson ($400 million to Harvard in 2015).[21]

While exceptional in the rest of the world, in the United States these kinds of philanthropic mega-gifts to universities have a long tradition. Especially the past decade has seen record donations by individual donors rivaling and outdistancing the foundational gifts by the above mentioned business titans which were so essential in building the American research university. By the standards of virtually every other country in the world, where universities have to wage fierce fights for fractions of the above amounts, the sheer volume of voluntary support for American colleges and universities is stupendous. In 2014, the sum of voluntary giving to higher education amounted to $37.5 billion,[22] topping the record numbers of previous years (e.g., $31 billion in 2012). In the listing of the 50 top donations of 2015, the $15 million gift of the media personage Barbara Walters to her alma mater Sarah Lawrence College ranks at the bottom.[23]

For a sense of proportions: the money given voluntarily each year to American institutions of higher education is roughly equivalent to the combined annual operating budget of 50 or 60 public German universities.[24] Philanthropic giving to higher education today has returned to the same order of magnitude it had achieved in America's Gilded Age, when individuals like John D. Rockefeller gave $600,000 (about $16 million in current dollars) to establish the University of Chicago. At the time of his death, Rockefeller had given $35 million to the University of Chicago (about $570 million in 2015 dollars).

But voluntary giving to colleges and universities is not limited to the super rich. Continuing a tradition that started at the founding of America's first colleges, many Americans give their money for charitable purposes. And the colleges and universities from which they graduated or to which they feel

bound by ties of geography or mission always rank at the top of the charity list. Often, voluntary giving is a family affair, as certain families have made it a matter of family tradition to become patrons to a university to which they feel particularly strong ties. Thus, the Hearst family (newspaper publishing) has been a prime supporter of the University of California Berkeley; the Lilly family (pharmaceuticals) of Indiana University; the Duke family of Duke University; and the former New York mayor Bloomberg (financial software) has given $350 million to his alma mater Johns Hopkins and pledged to give $750 million more.[25] Especially the leading American institutions are able to attract charitable donations that rival the entire higher education budgets of smaller countries. In 2012 Stanford received a total of $6.2 billion. In 2013, Harvard's fund-raising drive netted Harvard $6.5 billion, the largest return ever.

Nor is charitable giving limited to private universities. The decreasing state spending on higher education has forced public universities[26] to increase their reliance on private funds, too. Since the University of Virginia launched its first capital campaign in 1991, public universities have entered the private fund-raising domain with increasing zest and acumen.[27] Of course, the University of Virginia's private fund-raising was in the tradition of its founder Thomas Jefferson, whose new institution came off the ground only when Jefferson was able to amend the original $15,000 dollars promised by the Virginia legislature by another $40,000 dollars from private donors.

In Perpetuity Endowments

In order to organize and institutionalize the blessings of philanthropy beyond the initial impetus, American universities found that investing gifts into an interest-generating endowment fund benefitted them in the long term. One of the earliest such gifts to higher education was that of John Harvard, which was instrumental in getting the college that bears his name off the ground. After the Massachusetts Bay Colony granted Harvard's charter in 1636, the college's founders were concerned that there would not be enough trained clergy once the ministers that had come to Massachusetts in the wake of the Mayflower "shall lie in the dust." As they deliberated on the financing of the new institution, "it pleased God to stir up the heart of one Mr. Harvard (a godly gentleman and a lover of learning, there living among us) to give the one half of his estate (it being in all about 700 pounds) toward the founding of a college, and all his library."[28]

Harvard drew on this tradition when it sent delegates to England to seek financial support in the form of pledges for "subscriptions." In 1721, Thomas Hollis was the first to endow a chair for divinity, mathematics, and natural philosophy. Interestingly, he also included money for scholarships for students in exchange for pledges to serve as minister.[29] The tradition of endowed chairs soon broadened into the creation of endowments for

universities as a whole. Universities moved to create endowments "in perpetuity" that would make them independent of the ups and downs of annual (public and private) support by generating enough interest to support big parts of their annual operating budget. For example, at 5% interest, an endowment of $30 billion would generate about $1.5 billion, which is equal to the annual operating budget of many major universities (and three times the annual budget of Humboldt University in Berlin). In 2012, 231 American universities had endowments above $250 million. The ten wealthiest universities and their endowments (in billions) are: Harvard, $30.4; Yale, $19.3; University of Texas System, $18.2; Stanford, $17; Princeton, $16.9; MIT, $10.1; University of Michigan, $7.7; Columbia, $7.6; Texas A&M, $7.6; and Northwestern, $7.1.[30]

As Thelin and Trollinger pointed out, American governments facilitated the growth of in perpetuity endowments by exempting them from taxation due to their avowed beneficial effect on the public welfare. The 1764 Charter to College of Rhode Island (later "Brown University") stipulated that institutions of higher education "to which the Youth may freely resort for Education" would be "for the general Advantage & Honor of the Government;" ". . . they have therefore justly merited & received the attention & Encouragement of every wise and well regulated State. . . ."[31]

Foundations: "Private Power for Public Good"

From the Civil War until about 1910, philanthropic giving to higher education was dominated by large gifts from individual donors like Johns Hopkins, Ezra Cornell, John D. Rockefeller, and Cornelius Vanderbilt, to name a few. We saw that this tradition continues unabated, with the largest donations today even outdoing the gifts of the original founders. But Carnegie, Rockefeller, and their peers found that giving away money was not easy. There was the problem of direction (to whom to give and for what) and the problem of efficient discharge. Charitable giving could be an arduous task. To institutionalize giving and put it on a more professional footing, the leading donors like Rockefeller and Carnegie created foundations to dispense of their fortunes more professionally, efficiently, and accountably.

The biggest foundations—Carnegie Foundation and the General Education Fund—were created early last century by gifts from Andrew Carnegie and John D. Rockefeller, to be joined after WWII by the foundation created by the heirs of Henry Ford. The amounts of money these foundations gave away were, again, unprecedented. The Carnegie Foundation gave $480 million and the Rockefeller Foundation $445 million (around $10 billion in today's money).[32] Their self-understanding was well described by the slogan of Carnegie Foundation for the Advancement of Teaching (CFAT): "private power for the public good."

Often, the added financial resources of foundations gave wings to the visions and schemes of the most pioneering of America's university presidents.

Foundation founders like Carnegie and Rockefeller looked to the presidents of the leading universities to give their foundations direction and guidance. Carnegie entered into a collaboration with Charles Eliot, lasting almost two decades, during which the two of them revolutionized the landscape of American higher education. Rockefeller hired Frederick T. Gates and the young Yale graduate Robert M. Hutchins, who became the main architects (and, in the case of Hutchins, an influential president) of the University of Chicago. After WWII, the Ford Foundation continued this tradition of appointing outstanding higher education leaders, hiring McGeorge Bundy, who had been dean at Harvard, to head the Ford Foundation from 1966 to 1979. Clark Kerr (former president of the University of California) and Ernest L. Boyer (former chancellor of the State University of New York) served as CFAT presidents, and former Princeton president, William Bowen, served as president of the Mellon Foundation.

Under the leadership of foundations and their guiding officers, foundation philanthropy began to shift away from setting up new campuses in favor of broader academic and social improvement projects that could be adopted by existing universities and affiliated organizations, including targeted research and change projects in medicine and public health, agriculture, education, urban development, and race relations. The influential "Social Science Research Council" resulted from an initiative of the Carnegie Corporation and the Mellon Foundation. After World War II, the Ford foundation launched an initiative towards renewing business education,[33] followed later by an initiative to create new public policy programs at eight universities. In 1955, Ford gave $210 million to 630 liberal arts colleges to raise faculty salaries, followed later by another $50 million to 126 institutions for the same purpose.[34] By raising the salary levels at these smaller institutions, the foundations helped these colleges compete for young PhDs from top universities and upgrade their teaching caliber.

The Eliot-Carnegie Strategy to "Making the Peaks Higher"

Among the diverse and growing group of foundations, the Carnegie Foundation for the Advancement of Teaching (CFAT) always occupied a special place, both for the size of its financial resources and the acumen of its leading officers, starting with Charles Eliot, as chairman of the board, and Henry Pritchett, as foundation president. Another CFAT president was Abraham Flexner, who rose to fame as author of the "Flexner Report," a damning critique of American medical education (which the report compared unfavorably to German university clinics), which prompted the expansion of American graduate education into science-based medicine, replacing the earlier vocational model of medical education. Their most effective change stratagem, however, was the pension plan, an ingenious carrot-and-stick strategy that offered pension money to colleges if they upgraded their curriculum and admission requirements in the direction of greater selectiveness.

At first blush, it would seem utterly incongruous that a group of powerful do-gooders would make the establishment of a pension plan for college professors a centerpiece of their philanthropy. Why not spend the money on setting up more universities? But the group around Eliot and Pritchett had convinced themselves that by establishing a dignified path into retirement akin to the guaranteed pension of a European (continental) civil servant professor, they would not only allow aging scholars a more graceful exit from teaching, but also make room for colleges to hire the newly minted PhDs which the leading institutions (which Eliot and Pritchett represented) had begun to put out in greater numbers.

So while the CFAT's mission spoke of noble causes of "perform[ing] all things necessary . . . to encourage, uphold, and dignify the profession of the teacher and the cause of higher education" (xi), the end result of the Pension scheme was to increase the selectivity of colleges by (a) accelerating the replacement of a generation of older scholars (many without PhDs) whose ideas and ideals had been formed in pre-reform higher education by newly minted PhDs and (b) increasing the pressure on all aspiring colleges to upgrade their curriculum and teaching in line with the standards developed at the leading institutions.

This latter effect was achieved by specifying that colleges were eligible to receive Carnegie's pension money only if they were non-sectarian (i.e., non-religious), not under state control, had at least six full-time professors, and practiced selective admission by admitting only students with four years of high school (later defined as 14 Carnegie Units). As Condliff Lagemann puts it: "from the very first, selectivity was the goal."[35]

Eliot and Pritchett, as leading university men, and Carnegie and Rockefeller, as leading financiers, were united in seeing universities as the epicenters of a historical process that would eventually elevate the society as a whole. For Beardsley Ruml, a Chicago psychologist who became a leading officer of the Rockefeller Foundation, the goal was to "make the peaks higher" by selectively supporting the best science.[36] Their efforts were often sharpened by an ideology of Social Darwinism. For Carnegie, the work of Darwin and Spencer had been "a revelation." He took their writings to prove that the species was evolving to a higher social and moral level of consciousness. Science was the gospel and the university was the church. Science pointed in everything to a "one best way."

The Strength of Sentimental Ties—The American Alumnus

Where the university exists as part of an expansive government bureaucracy, most people are apt to view it in affectionately neutral terms. Whether or not a person graduated from university X or Y often does not make much difference in their sentimental calculus if the university lacks a distinct profile or can hardly be distinguished from other public agencies. This is different in the American case, where colleges and universities are connected to

their graduates through many ties of sentimental attachment. They cultivate these attachments by maintaining organized ties to their alumni, to their local and regional community, for example, through athletics, cultural activities, and other forms of deliberate enhancements of the quality of their communities' lives. The result is that people connect to the university from motives other than mere utility. They are *sentimentally* attached to it. Thus, they maintain long-term, often lifelong ties with it, because it occupies a place in their heart, not because it tops this or that ranking.

To the extent that alumni networks exist in other countries, they are typically limited to elite institutions. But in the United States, even the alumni of lower ranked colleges lavish strong, sometimes extravagant social and financial support on their institution. In some cases the generosity of even a single successful alumnus can lift a little known college out of obscurity or help it to significantly expand its scale of operations. As Daniel Webster, graduate of Dartmouth College, put it in his Supreme Court defense of the college's independence: "it is but a small college, but there are those who love it." Webster successfully appealed to a sentiment that the Supreme Court judges would have well understood.

As institutions originally conceived as instruments of Protestant sects to train ministers and educate brethren and believers, the American colleges were creations of tightly knit religious communities that took a strong, protective interest in seeing their colleges survive and flourish. No believer would be less attached to their college if it were somehow seen as academically less excellent than a rival institution. Strong, supportive ties between alumni and their colleges ensure that in a hierarchical prestige order, affection and support do not exclusively cluster at the top. These ties depend on universities being institutional individuals, capable of developing their own unique course of action, seeking their own niches, and positioning and repositioning themselves continuously in pursuit of academic distinction and financial viability. By maintaining strong social and financial ties to a distinct institution, the American alumnus strengthens the communal ties that connect him or her with a distinctive institution, regardless of its prestige.

The Power of Particular Attachments

The United States has seen the evolution of a group of institutional forms that together are capable of supporting universities as independent institutions. The most important of these are the corporation, governed by a board of trustees; philanthropy and the philanthropic foundation, which channel vast amount of private wealth to higher education, independent of a tax-paying public; and the American alumnus, who ensures that colleges and universities are connected to distinct communities and individuals through sentimental and affective ties.

Unlike governments, which must respond to the preferences of the "median voter,"[37] individual donors can follow their own hearts and distinct

visions. Civil society maintains an open avenue for individuals to exert influence in higher education. It harnesses the energy of individuals, not only their money, but also their ideas, dreams, and their love for an institution. From the early patricians to today, individuals with resources and dreams have made an enormous impact. People have acted to boost particular causes near and dear to them: civic leaders contribute to the local college scene as an instance of "civic boosterism;" successful business people support engineering and business. This "power of the parochial," as David Labaree has called it,[38] has produced an American tradition of inimitable "distinctive colleges."[39] The result is a degree of diversity that would never spring from the pen of a government planning committee, but that may be crucial in providing a launching pad for maverick innovators. Governments are, by definition, universalistic in their orientation to universities. As representative of the citizenry as a whole, they cannot and often should not differentiate to whom and how they extend support. But universalistic support is by nature limited. Governments can rule that all universities should receive or lose certain resources, that all universities should make contributions to this or that research problem. Governments thus can be facilitative as well as coercive. But they cannot discriminate. Without the active support of charitable foundations, higher education in the United States would be "more complacent and limited in its scope and vitality without the prodding and incentives of the foundations."[40]

The emergence of this institutional infrastructure to support universities as independent institutions is perhaps what George Ticknor had in mind when he spoke of America's "free soil" as the ideal territory on which the modern university was to flourish.

Notes

1 Tappan was president of the University of Michigan and author of: Henry Philip Tappan, *University Education* (Ann Arbor, MI: Scholarly Publishing Office, University of Michigan Library, 2006), 98–99.
2 India provides a case where weak government control is associated with a proliferation of low-quality institutions. See Philip G. Altbach, 'India's Higher Education Challenges', *Asia Pacific Education Review*, 15 (2014), 503–510.
3 Charles Homer Haskins, *The Rise of Universities* (Ithaca, NY: Cornell University Press, 1972), 5.
4 Charles E. Bidwell, 'Varieties of Institutionalism and the Study of Educational Organizations: Changing Ideas for Changing Times', in *The New Institutionalism in Education*, ed. by Heinz-Dieter Meyer and Brian Rowan (Albany, NY: State University of New York Press 2006), 33–50, 37.
5 Haskins, *The Rise of Universities*, 8–9.
6 Bidwell, 'Varieties of Institutionalism and the Study of Educational Organizations', 38.
7 E.D. Duryea, 'Evolution of University Organization', in *Organization and Governance in Higher Education* (Boston, MA: Pearson Learning Solutions, 2010), 16.
8 Ibid. 17.

9 Ibid. 19.
10 For an exception, see Ehrenberg, *Governing Academia*, in particular see Freedman, *Presidents and Trustees*, 9–27, and Hermalin, *Higher Education Boards of Trustees*, 28–48.
11 Burton R. Clark, *The Higher Education System: Academic Organization in Cross-national Perspective* (Berkeley, CA: University of California Press, 1983), 116.
12 Quoted in Laurence R. Veysey, *The Emergence of the American University* (Chicago, IL: University of Chicago Press, 1965), 350.
13 Thorstein Veblen, 'Higher Learning in America', in *The Portable Veblen* (New York, NY: Viking, 1918)
14 James O. Freedman, Presidents and Trustees, in *Governing Academia*, ed. by Ronald G. Ehrenberg (Ithaca, NY: Cornell University Press, 2005), 14.
15 Ibid. 18.
16 Ibid. 20.
17 Duryea, 'Evolution of University Organization', 11.
18 Freedman, Presidents and Trustees, in *Governing Academia*, 19.
19 James A. Perkins, 'Conflicting Responsibilities of Governing Boards', in *The University As an Organization* (Michigan: McGraw-Hill, 1973), 203–214, 213.
20 Ryan Mac, 'Stanford Billionaire Benefactor John Arrillaga Makes Record-Breaking Gift to University', *Forbes*, January 7, 2013.
21 Steven Syre, '$400 Million Gift to Harvard Highlights Higher Ed Wealth Gap', *Boston Globe*, June 9, 2015.
22 *Wall Street Journal*, January 28, 2015.
23 On the Chan gift, see *Wall Street Journal*, September 8, 2014; on the Johnson gift, see news.yale.edu/ . . . /historic-250-million-gift-yale-alumnus. On the Bloomberg gift, see www.nytimes.com/ . . . /at-1–1-billion-bloomberg-is-top. On top donors in 2014: https://philanthropy.com/factfile/gifts.
24 Harvard outspends even the better European universities by a factor of ten. Harvard's annual operating budget hovers around $4 billion. By contrast, Humboldt University in Berlin had an annual operating budget of 350 million EURO (about $400 million) in 2010. Harvard has about 21,000 students, taught by 2,100 faculty members, in contrast to Humboldt's 33,000 students, taught by 428 faculty. The best endowed German university, the Technical University of Munich, is richer than Humboldt, but even its annual budget of 548 million EURO pales in comparison to Harvard.
25 John R. Thelin and Richard W. Trollinger, *Philanthropy and American Higher Education* (New York, NY: Palgrave Macmillan, 2014), 173.
26 In 2011, U.S. state expenditures for higher education totaled $170.4 billion, 10.1% of total state spending, down from over 13.0% in 1998, http://www.nasbo.org/budget-topics/higher-education#sthash.cOy5Tttb.dpuf
27 Thelin and Trollinger, *Philanthropy and American Higher Education*, 31.
28 Ibid. 10.
29 Ibid. 17.
30 Ibid. 95.
31 Ibid. 17.
32 Ibid. 67–68.
33 Ibid. 28.
34 Ibid. 82.
35 Ellen Condliffe Lagemann, *Private Power for the Public Good: A History of the Carnegie Foundation for the Advancement of Teaching* (Middleton, CT: Wesleyan University Press, 1983), 40.
36 Quoted in: Roger L. Geiger's, *The History of American Higher Education: Learning and Culture from the Founding to World War II* (Princeton, NJ: Princeton University Press, 2014), 488.

37 Thelin and Trollinger, *Philanthropy and American Higher Education*, 65.
38 David F. Labaree, 'A System Without a Plan: Emergence of an American System of Higher Education in the Twentieth Century', *Bildungsgeschichte: International Journal for the Historiography of Education*, 3 (2013), 46–59.
39 Burton Clark, *The Distinctive College* (Brunswick, NJ: Transaction Publishers, 1970).
40 Thelin and Trollinger, *Philanthropy and American Higher Education*, 90.

14 Hierarchies and Heterarchies

When considered in a comparative perspective, one of the most obvious features of the American higher education system is the steepness of the prestige gradient that distinguishes the leading institutions from the lower ranked. But this obvious vertical differentiation often masks another striking feature of the American university system, namely its horizontal differentiation: the remarkable variety of institutional types and the ease with which academic boundaries—boundaries between fields, disciplines, types, and classes of institutions—are navigated, permeated, and crossed. Where other countries have created classifications and categories to separate different parts of the higher education enterprise and then erected high walls around those classifications,[1] the American system emphasizes fluidity and permeability. Where in other countries institutions are sorted into a myriad of categories like pure and applied (as in the German distinction between universities and *Fachhochschulen* [schools of applied science]), discipline and profession, or research and service, in the United States we find that these distinctions both exist and are, in practice, taken rather lightly. One finds law school professors writing influential philosophy, members of English departments publishing analyses of economic globalization, economics professors teaching in business schools, and business school professors making widely read contributions to psychology. On occasion, one even finds sitting judges pioneering economic theory and analysis. Likewise, future chemists, historians, or psychologists may be educated under the same institutional roof, alongside lawyers, business managers, teachers, or nurses. Undergraduate students freely explore a range of academic disciplines before settling on one. Their graduate degree may be in a field bearing little obvious connection to their undergraduate studies. Ever since business schools successfully challenged the presumed superiority of disinterested and pure science as articulated in German *Wissenschaft*, other schools of professional education (public health, social welfare, public administration, nursing, divinity, dentistry) or applied research (veterinarian science, forestry, or nanotechnology) followed—all operating within the fold of the same institution.

Soft boundaries also characterize the relations between types of institutions where we find a sometimes bewildering variety of forms, a proliferation

of niches, duplication and redundancy, a mix of high and low, central and peripheral. "Private" and "public," "religious" and "secular," "liberal arts" and "engineering" represent markers of identity that are not unimportant, but neither are they exclusionary. Public and private institutions, for example, while occupying different nominal categories, may differ little in their actual behavior, as many of the leading public institutions look and behave rather "private," especially when compared to their public counterparts in other countries. And new types of institutions—most recently, a plethora of online enterprises and a small but growing for-profit higher education sector—are created all the time, able to gain legitimacy alongside mainstream institutions.

In the absence of a central regulating authority, American academia has been freer to develop along diverse trajectories and has enjoyed greater latitude to experiment with a variety of institutional forms. But weak central regulation has not produced the kind of fragmented systems one often finds in other countries with weak central regulatory authority.[2] The striking fact about American higher education is that it manages to combine weak central regulation, stupendous institutional diversity, permeable boundaries, and low barriers to entry with widely accepted norms of excellence that entice most players, no matter their current place in the system, to strive for improvement. Despite their strengths, these norms have not produced the kinds of rigid hierarchies which so often stigmatize and stifle the efforts of the lower ranked. How did this come about? How does a system marked by such steep hierarchies manage to maintain cohesion? And how does it avoid a race to the bottom?

Already 40 years ago, observers like Parsons and Platt noted a dramatic increase in the "steepness of the stratification slope" in American academia, noting that such steep stratification might engender "feelings of relative deprivation" of the "less prestigious vis-à-vis more prestigious institutions."[3] Yet, even though the prestige gradient is steeper still today than in 1973, neither condescension nor resentment seem to be pronounced aspects of the American system. That in a democracy—especially one that, according to observers from Tocqueville to Santayana, is marked by an "instinctive contempt for superiority"[4]—such steep distinctions of rank are accepted as legitimate seems like a remarkable fact worthy of some attention. Likewise, the ease with which new entrants can enter the system without seeming to engender a race to the bottom is equally puzzling. Just during the past decade we have seen private, for-profit companies entering the system with sometimes rather low-quality offerings. But instead of forcing overall quality downward, the typical trajectory they enter is one of upward drift.

I suggest in this chapter that the system's ability to cohere in the face of strong pressures towards vertical differentiation should be seen in the context of a unique American dynamic of upward academic mobility where entrepreneurial innovation and risk taking are encouraged, where pro-active self-improvement is expected, and where new startups don't experience

parvenu stigma. In the resulting force-field, new entrants can enter from seemingly any point (e.g., as technical, online, vocational, liberal arts, business, or otherwise specialized college), but soon find themselves swept up in a current of upward extension and improvement. The system engenders these cohesive forces because it is structured in a way that allows all actors and actor-groups to maintain continuous aspirations of upward mobility. Where other systems stifle the upward mobility aspirations of actors soon after they enter the system, American academic actors—professors, departments, and universities—behave as if they believe that they can successfully improve or (what under conditions of continuous change amounts to the same thing) defend their competitive status with respect to their peers. This produces an overall structure that eschews segmentation in favor of a more fish-scale-like structure, which combines overlapping redundancy with great flexibility and motility.

The first evidentiary exhibit for this tendency comes from the well-documented phenomena of "upward drift" and "entrepreneurialism" which I'll discuss next. The second part of the chapter will detail the resulting fish-scale-like structure of the American system that is an important source of the American university's systemic strength. It stands in marked contrast to the overall *gestalt* of most other systems of higher education, which are often marked either by centrally enforced homogeneity or by rigid elite-mass segmentation. Most importantly, this structure has allowed the American higher education system to achieve a way of reconciling access and excellence.

Imitation and Updrift: Drivers of Continuous Voluntary Improvement

In "Constraint and Variety in Higher Education," David Riesman famously likened the configuration of American higher education to "a snake-like procession" where institutions in the snake's tail continuously follow and imitate those near its head. "The assumption is that every decent university will offer courses in archeology, in Tudor history, or in the sociology of small groups, whether or not there exist topflight people to fill these lines. . . ."[5]

In contemporary research the phenomenon identified by Riesman goes by slightly different terms—Schultz and Stickler called it 'vertical extension,' Berdahl 'academic drift,' and Aldersley 'upward drift'[6]—but the essential phenomenon is the same. It describes a process of continuous voluntary improvement where institutions upgrade their academic programs in order to improve their prestige. Two-year colleges become four-year institutions, four-year institutions add masters' degrees, and the latter add doctorate programs. As institutions move along this trajectory, they imitate more highly ranked institutions both in form and substance. Their percentage of PhD-holding instructors increases. The latter teach more specialized research seminars, in classrooms located in more ivy-covered buildings, for a more select group of students with access to more books and resources.[7]

One mechanism of upward drift is the downward flow of new doctorates. As more prestigious institutions graduate relatively more doctoral students, the faculties at American universities tend to be graduates of universities that are more highly ranked than their employing institutions: "People who come into the league [of state universities] to teach, having done graduate work elsewhere, bring with them an image of what a proper university should look like. . . ."[8] In this process, the "cosmopolitans" hailing from higher ranked institutions prove particularly influential. Weerts et al., surveying a large number of studies, confirm that "faculty and institutional norms that rewarded the dominant behavior of the group Riesman referred to as the 'cosmopolitans' were the primary drivers of academic drift." A particular factor here are salary structures that reward research more strongly than teaching.[9]

But PhDs from top-ranked institutions are not the only engine of upward drift. Trustees, town-leaders, donors, and legislators, too, prefer more to less prestige. As Riesman put it: "the struggle both to found and to attend college in the last century sprang often from booster and commercial motives, but there remained . . . a certain visionary element, whether religious or secularized, which linked education with more than training for professional success—linked it with the promise of a nobler, less demeaning life."[10] This variety of motives corresponds to the characteristic variety of American higher education institutional paths, which, though originally independent of each other, eventually all became tributaries to that large and swelling stream of the American comprehensive research university.

An important historical condition for the updrift phenomenon is the deep-rooted entrepreneurialism of the American university. David Labaree discussed this in the context of what he called the "extraordinarily local" roots of American higher education. "Unlike the European university, with its aspirations toward universality and its history of cosmopolitanism, the American college of the nineteenth century was a hometown entity."[11] These local roots forced small and vulnerable institutions from the start to learn to create the skill and resources for their survival through entrepreneurial initiative:

> Having to operate in a time and place when the market was strong, the state weak, and the church divided, these colleges found a way to get by without the kind of robust support from a national government and a national church that universities in most European countries enjoyed at the time.[12]

Here it is useful to recall that in 1880 the typical American college (few called themselves "university" at that point) had 131 students, with an average number of faculty of 14 and no assured source of income other than what they could raise through tuition and donations.[13] The president of such a college would "serve as the CEO of a marginal educational enterprise,

which sought to draw tuition-paying students from the area. . . ."[14] Labaree tells the story of Benjamin Labaree (a grandfather several generations removed), president of Middlebury College. Today a leading liberal arts college, Middlebury was teetering on the brink of failure during much of its 19th century life, often unable to pay the president's salary. To cover basic expenses he had to act as the college's chief fund-raiser, administrator, and instructor-in-chief whose teaching load included "Intellectual and Moral Philosophy, Political Economy, International Law, Evidences of Christianity, History of Civilization, and Butler's Analogy."[15] In effect, American academics acted "entrepreneurially" long before the phenomenon received renewed attention through Burton Clark's well-known study.[16] No wonder that the president of Middlebury complained to the college's trustees of the many demands associated with "the task of relieving the College from pecuniary embarrassment, and the labor and responsibility of procuring funds for endowment for books, for buildings, etc., etc. . . ."[17]

Local origin and entrepreneurial necessities forced academic institutions of very different origin—liberal arts colleges, agricultural and land-grant institutions, polytechnical institutes, normal schools, and state universities—to develop and consolidate independently, all the while keeping a watchful eye on the behavior of their peer institutions. Inevitably, the colleges favored by geography and wealth to occupy a place near the head of the snake created an irresistible pull that made the smaller institutions with more limited portfolios want to emulate them.

Engineering colleges, which had been founded as polytechnical institutes on the model of Napoleon's Ecole Polytechnique, entered a stream that made them ultimately indistinguishable from other leading research universities, except for their names.[18] MIT, Rensselaer Polytechnical (RPI), Worcester Polytechnical (WPI), Georgia Tech, Virginia Tech, and Cal Tech all started as engineering schools, yet all became comprehensive research universities, although they may continue to cultivate their particular strengths in engineering and technology. State normal schools provide another case in point. They started as two-year teacher training institutions in the middle of the 19th century. Originally, they did not offer bachelor degrees, and their purpose was to prepare students for the low-prestige occupation of school teaching.[19] By 1910 there were 180 normal schools in the United States, many of which had begun to drift upwards. In the decades following WWII, they tried hard to rid themselves of the stigma of their normal school days by upgrading their names to "college" and "university." (In the process, they often turned their town's "Normal Avenue" into "College Avenue" and then "University Avenue."[20]) In fact, the state university systems of many US states began as normal schools, including California, Maine, Maryland, Minnesota, Pennsylvania, New York, and Wisconsin. Ogren mentions one telling example, the case of "Southwest Texas State Teachers College at San Marcos." When attended by a young Lyndon B. Johnson in 1927, the college consisted of four small buildings, including a library whose second floor

caved in when additional encyclopedias were added. A half a century later, that same institution had transformed itself into "Texas State University" at San Marcos, replete with more than a dozen doctoral programs.

Public Imitates Private

Newer or lower-ranked institutions mimicking older or more highly ranked ones is, of course, a textbook case of neo-institutionalism's isomorphism hypothesis, according to which organizations operating with ambiguous or ill-defined technologies mimic other organizations in order to gain legitimacy.[21] What is less often discussed is that in the United States not only do private universities mimic other private universities. But public universities, too, have historically modeled themselves on the leading private institutions. This imitation process began already in the middle of the 19th century, when German-educated scholars were as likely to be employed at private East Coast institutions as at public Midwestern flagships—all of which were eager to emulate the latest European practices and models that their peers were busy implementing in the leading institutions on the Eastern seaboard. Especially the "two most notable innovations, the elective system and the graduate school, began to be imitated everywhere except at the hopelessly small colleges."[22] Even the public land-grant universities, which were founded to promote agriculture and the mechanic arts, began to "imitate Eastern liberal arts colleges . . . to attain . . . academic respectability."[23] Another point of public-private imitation was the corporate form. Public colleges imitated private ones by taking "the form of public corporations," which became "parallel in their general organization to private colleges."[24]

In fact, so strong was the normative pull of the independently governed college that even state legislatures, typically bent on enhancing their scope of operation, gladly and voluntarily delegated "governing power over state institutions to boards of control established as public corporations," instead of subjugating colleges to direct control and dependence through ministries of education.[25] Thus it is true that, as Crow and Dabars put it, "public universities model themselves on the University of Michigan or Berkeley, while private universities look to Harvard,"[26] as long as we keep in mind that Michigan and Berkeley, in turn, modeled themselves on the top private institutions.

Recent Criticism of Upward Emulation

My interpretation of the updrift phenomenon as a wholesome feature of American higher education engendering voluntary self-improvement is at odds with recent criticism where the phenomenon is harangued as a case of excessive veneration of tradition that is, on the whole, counterproductive for American higher education. It traps, so the argument goes, the majority of higher education institutions in a losing effort as they try to imitate

a small group of top-ranked institutions, which, by dint of their historic renown, achievements, and resources, are all but unreachable for the majority of the also-rans.

The result is alleged to be institutional inertia that may serve the top-ranked institutions but does not help the American higher education mainstream change to better serve their students. Crow and Dabars speak of "filiopietism," a case of obsessive veneration of tradition. "Filiopietism inspires the lockstep thinking that produces the set of undifferentiated institutions we might term the Generic Public University and the 'Harvard envy' that is endemic to private universities."[27] Christensen and Eyring call this a course of action preoccupied with mimicking merely "sustaining innovations" instead of exploring the kind of "disrupting innovations" that new information technologies and global competition require.[28] The critics sound a theme that already worried David Riesman, who was concerned about too much "institutional homogenization" as universities "serve as models for one another. . . ." But while, for Riesman, the "ferment of innovation and experiment" engendered by the updrift phenomenon was recently "less yeasty" than it could be, he also indicated "that there are colleges which are so remote . . . as to be influenced only slowly if at all."

And indeed, the pervasive effort of lower ranked to imitate higher ranked institutions seems to have produced new hybrids and new diversity as institutions try to improve their position drawing on their unique resources and strengths—all without the need for centralized coercion or regulation. In a comparative perspective, it seems hard to deny the dynamic adaptation and changeability produced by updrift, thereby countering the tendencies towards vertical differentiation and segmentation discussed earlier.

But the soft boundary/strong updrift phenomenon not only seems to ensure continued innovation and institutional improvement. It also engenders systemic cohesion by keeping the distinctions between types and kinds of institutions at the level of surmountable increments, as opposed to insurmountable differences of type or class. I'll consider this aspect next.

Surprising Coherence: The Fish-Scale Structure of American Higher Education

> "I would rather be first in a little Iberian village than second in Rome."
>
> Caesar

In the chapter on collegial self-government, I considered the remarkable degree of autonomy that departments and other sub-units of the American university enjoy, as they exert strong decentralized boundary control, including selection of new faculty, student admission, curriculum, degree granting, and (some aspects of) their finances. But this autonomy not only provides departments with room to act entrepreneurially and strive for

upward mobility. Importantly, it also means that departmental and institutional rank can float independent of each other. A middling university can and often does sport one or more highly ranked departments, making it a peer of higher ranked institutions in particular fields. This pattern repeats itself across the ranking scale, creating something like a fish-scale structure, whereby institutions are arranged in overlapping and interconnecting structures of criss-crossing vertical and lateral distinctions.[29]

The resulting pattern of overlapping redundancy and flexible motility creates an inter-institutional connectedness that arguably strengthens the American higher education system as a whole. In particular, it has been a contributing factor to maintaining system-wide integration in the face of steep hierarchical differentiation, preventing the kind of "elite–mass" (or "islands of excellence in a sea of mediocrity") configuration that mars many other academic systems.[30] Compared to the more segmented hierarchies of other countries, where departmental and university rank are tightly coupled, the pattern of inter-institutional connection in the United States exhibits great amounts of overlap and redundancy. The result is a form of self-organized integration that provides individual and organizational actors with an incentive to improve their standing through voluntary individual effort, while strengthening the system's overall cohesiveness.

The Frog/Pond Mechanism

The relative independence between the prestige scales on which individual faculty, departments, and universities are ranked provides American academic leaders with an array of strategic opportunities that other systems lack. In the US, university leaders can focus on selectively improving the work of particular departments or research centers to keep the institution upwardly mobile. Departments can strive to match the accomplishments of more highly ranked "aspirational peers," and some faculty with a given set of credentials can choose whether they want to be bigger frogs in smaller ponds or vice versa.

Robert Frank analyzed these kinds of dynamics in his book "Choosing the Right Pond."[31] Frank explores the fact that, like Caesar, most people "are deeply concerned about their relative standing in hierarchies."[32] They worry both about the absolute position of the groups to which they belong and also about their relative position within those groups. Frank posits, for example, that people are willing to trade as much as 50% of income for rank, accepting lower pay to work at higher prestige institutions, or, conversely, negotiating higher pay as a precondition to stay at a lower prestige institution.[33] Thus, an accomplished researcher working at a middling institution may have the choice of moving to a big pond university or remaining at her smaller pond university. The bigger pond university would put her in proximity of more highly ranked peers, allowing her to benefit from their cooperation. But to achieve local status and resources at the higher ranked

institution, she might have to compete harder against more competitive peers. By remaining at (or moving to) a smaller pond university, the professor trades in global rank for a higher local rank, which may place more custom-tailored resources at her disposal or give her more power to mold the department and its research or teaching program in a desired direction. Prospective doctoral students may also be subject to the frog/pond calculus. Students do not always choose the most prestigious school they can attend.[34] Students with offers from big pond universities may still rationally prefer to go to a smaller pond institution where they get a better overall package of resources and support.

Similar strategic choices also present themselves to entire departments or universities. For a highly ranked department or university, the greatest threat is complacency. Since reputation changes slower than actual quality, it is easy to rest on one's laurels. It is thus in the big pond university's interest to be scanning the environment for 'undervalued' faculty at other universities that it can recruit to join its ranks. Similarly, a smaller pond university must make efforts to retain the faculty whose reputation makes them upwardly mobile, as well as identifying higher valued players that it can attract by offering custom-tailored resources. As the smaller pond university creates clusters of excellence, it may boost them to a point where it gains supra-local recognition.

The point is that either strategy—being a bigger frog in a smaller pond or smaller frog in bigger one—can be rational from an individual's point of view, depending on the needs and nature of an individual's work, career stage, the overall fit with the department or university, or even personal considerations like a preference for a particular social or geographical setting. Similarly, a department or a university may aspire to selectively strengthen its profile by placing its bets for institutional improvement on particular individuals or local units.

As a result of this system-wide pressure on all players to maintain a high degree of mobility, the American institutional landscape not only exhibits great dynamism, as individuals, departments, and institutions continuously remain on their toes striving for improvement. It also tends to maintain and increase a system's institutional diversity, as there are always several directions in which an (individual or organizational) actor can seek improvement and distinction.

At the aggregate level, this mechanism prevents rigid segmentation between institutions of different rank, producing incentives towards upwardly mobile behavior at all levels of the system. It provides individual faculty members, as well as leaders of departments, schools, and universities with rational expectations that their reputation can be positively influenced through their efforts. Hierarchy thus loses its demoralizing sting, creating a paradox whereby the system is held together by the bootstrapping efforts of its local actors. Their continuous effort to improve or defend their

reputation and rank generates a vitality that is unknown in most other university systems throughout the world.

The Virtues of Combining Vertical and Horizontal Differentiation

Seen from abroad, the distinguishing feature of the American system of higher education is often believed to be its hierarchical order of excellence, starting with those widely known universities at the top and ending with community colleges at the bottom. From this vantage point, foreign observers of American universities often conclude that the main thing their country lacks is a group of elite institutions to rival the top strata of the American system. To compete with American higher education it would seem that all they have to do is to build a few "world class" institutions of excellence.

This seems to me a profound misunderstanding of the American higher education system. While the system clearly exhibits strong characteristics of hierarchy, and while there are obvious distinctions of rank and reputation, the distinctive feature of the American system is not found in the layer of institutional brilliance at the top. Such islands of excellence, when isolated from the rest of the educational body, have historically often turned superannuated. Rather, what accounts for the dynamic energy of the American higher education system is its configuration as a whole, which continuously generates pressures of distinction even as it generates countervailing forces of cohesion and community.

A key *institutional prerequisite* for this mechanism is deep-reaching organizational decentralization and independence. Only where the disciplines are independent of the universities, and where individual and departmental prestige can float independent of the host institution, can the individual professor or research unit hope to improve their position through their own bootstrapping efforts. Another prerequisite is the absence of a one-dimensional norm of academic prestige. As Lawrence Veysey (1965) has shown, American higher education historically found legitimacy not only in liberal education and research, but also in serving the everyday needs of society ("utility") and in contributing to community and moral formation. This meant that legitimacy and prestige could be accumulated by seeking distinctions in any or all of these various functions: as a freestanding liberal arts college; as a religious or community college; as a school invested heavily in the useful or practical arts of medicine, law, business, education, or engineering; or as an institution pushing the frontiers of research. Under an enterprising leader, a given institution could thus strike in pursuit of distinction in one or more directions—many of which might lead to the institution changing its position along the vertical axis of academic prestige or along the horizontal axis of altering its profile by finding not yet explored combinations of the four functions.

As a result of specific historic events—no national university, no separation of pure and applied research, strong historic pressures to act entrepreneurially—the American university exists in a system of institutional diversity where *mechanisms of distinction* can be checked and balanced by *mechanisms of cohesion*, generating powerful emergent effects that can reconcile otherwise often conflicting imperatives of access and excellence.

Notes

1 Regarding the power of such classifications and boundary-definitions to make "institutions think" along distinct and non-overlapping tracks, I recall here Mary Douglas's *How Institutions Think* (Syracuse, NY: Syracuse University Press, 1986).
2 India, as described by Philip Altbach, comes to mind: Philip G. Altbach, 'India's Higher Education Challenges', *Asia Pacific Education Review*, 15 (2014), 503–510. India's case is instructive, as it suggests that the existence of an elite layer of top-ranked institutions does not produce updrift; nor do the absence of a strong regulatory authority and the presence of markets produce quality-improving competition and diversity.
3 Talcott Parsons and Platt, *The American University* (Cambridge, MA: Harvard University Press, 1973), 161 and 159.
4 This attitude was also present among students of elite institutions. George Santayana about Harvard undergraduates: "They were not accustomed to the notion of authority, nor aware that it might have legitimate grounds; they instinctively disbelieved in the superiority of what was out of reach." George Santayana, *Selected Critical Writings of George Santayana*, ed. by Norman Henfrey (Cambridge, UK: Cambridge University Press, 1968), 51.
5 David Riesman, *Constraint and Variety in American Higher Education* (Garden City, NY: Doubleday, 1958), 21, 43, 61–62.
6 R.E. Schultz and W.H. Stickler, 'Vertical Extension of Academic Programmes in Institutions of Higher Education', *The Educational Record*, 46 (1965), 231–241; Robert Berdahl, 'Strategy and Government: U.S. State Systems and Institutional Role and Mission', *International Journal of Institutional Management in Higher Education*, 9 (1985), 301–307; Stephen F. Alderley, 'Upward Drift Is Alive and Well: Research/Doctoral Model Still Attractive to Institutions', *Change*, 27 (1995), 50–56.
7 During the 1990s more than 120 public and private four-year colleges changed their names to "university." See, Christopher C. Morphew, '"A Rose by Any Other Name": Which Colleges Became Universities', *The Review of Higher Education*, 25 (2002), 207–223.
8 Riesman, *Constraint and Variety in American Higher Education*, 36.
9 D.J. Weerts et al., in: Michael B. Paulsen's, *Higher Education: Handbook of Theory and Research* (Iowa City, Iowa: Springer, 2014), 246–247.
10 Riesman, *Constraint and Variety in American Higher Education*, 16.
11 David F. Labaree, 'The Power of the Parochial in Shaping the American System of Higher Education', in *Educational Research: The Importance and Effects of Institutional Spaces*, ed. by Paul Smeyers, Marc Depaepe, and Edwin Keiner (Dordrecht: Springer Science & Business Media, 2013), 31.
12 Ibid. 32.
13 Ibid. 33.
14 Ibid. 32.
15 Ibid. 34.

16 Burton R Clark, *Creating Entrepreneurial Universities: Organizational Pathways of Transformation* (Paris: IAU Press, 1998), 44.
17 Ibid.
18 Lawrence P. Grayson, *The Making of an Engineer: An Illustrated History of Engineering Education in the United States and Canada* (New York: Wiley, 1993).
19 Jürgen Herbst, *And Sadly Teach: Teacher Education and Professionalization in American Culture* (Madison, WI: University of Wisconsin Press, 1989).
20 Christine A. Ogren, *The American State Normal School: 'An Instrument of Great Good'* (New York, NY: Palgrave Macmillan, 2005), 3.
21 J. W. Meyer and B. Rowan, 'Institutionalized Organizations: Formal Structure as Myth and Ceremony', *American Journal of Sociology* (1977), 83, 2, 340–363; Walter W. Powell, 'The Iron Cage Revisited: Institutional Isomorphism and Collective Rationality in Organizational Fields', *American Sociological Review*, 48 (1983), 147–160; Heinz-Dieter Meyer and Brian Rowan, *The New Institutionalism in Education* (Albany: State University of New York Press, 2006).
22 Laurence R. Veysey, *The Emergence of the American University* (Chicago, IL: University of Chicago Press, 1965), 264.
23 John Seiler Brubacher and Willis Rudy, *Higher Education in Transition: A History of American Colleges and Universities, 1636–1976* (New York, NY: Harper & Row, 1976), 63.
24 Ibid.
25 E. D. Duryea, 'Evolution of University Organization', in *Organization and Governance in Higher Education* (Boston, MA: Pearson Learning Solutions, 2010), 20.
26 Michael M. Crow and William B. Dabars, *Designing the New American University* (Baltimore, MD: Johns Hopkins University Press, 2015), 121.
27 Ibid.
28 Clayton M. Christensen and Henry J. Eyring, *The Innovative University: Changing the DNA of Higher Education from the Inside Out* (Hoboken, NJ: John Wiley & Sons, 2011).
29 The first to call attention to the fish-scale redundancy in science was Donald Campbell, 'Ethnocentrism and the Fish-Scale Model of Omniscience', in *Interdisciplinary Relationships in the Social Sciences*, ed. by Carolyn W. Sherif and Sherif (Chicago: Aldine, 1969), 328–348. For more recent discussion of the phenomenon, see Tony Becher and Trowler Paul, *Academic Tribes and Territories: Intellectual Enquiry and the Culture of Disciplines* (Michigan: Open University Press, 2001), esp. chapter 4 on 'Overlaps, Boundaries, and Specialisms.'
30 In "India's Higher Education Challenges," Phil Altbach uses the "islands of excellence/sea of mediocrity" metaphor with reference to the Indian system, but it applies to many higher education systems in which a few elite universities tower at great distance above a large number of mass institutions.
31 Robert Frank, *Choosing the Right Pond: Human Behavior and the Quest for Status* (Cambridge, MA: Oxford University Press, 1986).
32 Ibid. 37.
33 In 1989/90 administrative and technical employees at Harvard University charged Harvard with banking on this mechanism with the fitting slogan: "We can't eat prestige." The slogan inaugurated a successful unionization drive at Harvard, the first of its kind.
34 Will Carrington Heath, 'Choosing the Right Pond: College Choice and the Quest for Status', *Economics of Education Review*, 12 (1993), 81–88.

15 From State to Civil Society

> "[W]ithout the state the university is helpless."
>
> Karl Jaspers

> "In almost all the writings about a nation's university . . . there will be found the implication . . . that it is somehow the duty of our government to maintain a magnificent university. This assumption is [. . .] unsound."
>
> Charles Eliot

In his widely cited book on *The Idea of the University*, Karl Jaspers—one of the most influential intellectuals of the German post-war period who had survived the Nazi-terror with his reputation intact—discussed the relations between state and university in the following terms:

> . . . the relations between state and university are almost always tense, often marked by open conflict. The state has easily the upper hand over the university and can in fact destroy it. For without the state the university is helpless.[1]

To maintain a sense of independence even while fundamentally depending on the state, the university must, in its turn, "control the state through the power of truth, not of force [. . .] always assuming, of course, that the state does want to realize the idea of the university."[2] If not, so Jaspers's implication, the university is out of luck.

The notion that the university ultimately depends on the goodwill of the state is at the center of the German state-centric view of the university, which I will juxtapose in this chapter to the American civil-society–centered view of the university, as it represents another crucial point where the American university departs from the German model. The civil-society–centered idea has perhaps been most succinctly expressed by Charles Eliot:

> The general notion that a beneficent government should provide and control an elaborate organization for teaching, just as it maintains an

> army, a navy, or a post office, is of European origin, being a legitimate corollary to the theory of government by divine right. [. . .] The conception of government upon which this argument is based is obsolescent everywhere. In a free community the government does not hold this parental, or patriarchal—I should better say godlike—position.[3]

The different views espoused by Jaspers and Eliot reflect fundamental differences in how a community defines the relation between university and society.[4] The German answer to this question relies fundamentally on the state, or, rather, on a specific exchange relation between state and university revolving around the idea of the "*Kulturstaat*," a state governed by reason.[5] The university needs the state to safeguard and guarantee its independence. In exchange, the university produces the cultural, moral, and cognitive foundations for the state and trains its leading officers in their use. The idea of the "*Kulturstaat*" has spread from Germany to many other nations, where the university is considered unthinkable without the protection of the state for its financial, political, and academic integrity. Without the state shielding the university, it is feared that the university would succumb to the particularistic forces of market and society or to the divisive forces of intra-academic conflict.

The American university, in a major historical shift, changes that. It achieves the institutional emancipation of the university from external, non-academic oversight and establishes itself on a plan of organizational independence as a self-governed actor in the civil society, rather than a subaltern appendix to the state. It proves against many doubters that the university can flourish as an independent, self-governed institution. It thereby clinches a debate about the prerequisites of academic autonomy that has been going on for many decades and in many quarters, in which the naysayers almost always seemed to have the better arguments.

In the preceding chapters we have seen how the American university's independence is made possible by several institutional innovations that facilitate its self-governance: self-governed departments and executive presidents; the trustee-governed corporation and voluntary financial support; and the interaction between self-governed disciplines and departments in a context of fluid boundaries that facilitate system-wide continuous improvement and upward drift. In all these institutional innovations, the American university, even as it builds on the German model, goes distinctly new ways. It was able to do so because it could tap into distinctly Anglo-Saxon traditions and ideas about the limits of state action, which—in a deep historical irony—continue and revive key planks of Humboldt's early thought. In what follows I discuss how this shift came about. In particular, I contrast German and American thinking about the state–university relation, and the possibility of the university as a self-governed, voluntary organization in the civil society.

The State-Centered View of the University

The idea of the university as an institution independent from government had both supporters and detractors in the run-up to Humboldt's university reform. As we saw in Part I, Humboldt himself, as well as Kant, Schelling, and Schleiermacher, were deeply skeptical about making the university dependent on government. Humboldt famously declared that in matters of university governance the state "is an obstacle as soon as it intervenes."[6] During the founding months he—unsuccessfully—tried to persuade the king to create an endowment to establish the university at Berlin on a plan of financial independence. The Humboldt who had so forcefully argued against state involvement in education in his essay on the "*Grenzen der Wirksamkeit des Staates*" clearly did not want to see the university become an "*Anstalt*" (institution) of the state—a moniker that, as Thomas Brunner points out, was used only for prisons and military institutions until 1790.[7] Schleiermacher also rejected the university's dependence on the state. Controlled by the state, the university degenerates to a "mere institute for the use of the state."[8]

Even though Humboldt was able to implement key aspects of his plan about the internal organization of the university, realizing the university's independence from government eluded him. Even a century after the founding, Humboldt's insistence on keeping the Prussian government out of the university governance earned him the label of harboring an anti-state ("*staatsfeindliche*") attitude vis-à-vis the state by no other than a young René König (who went on to become the influential editor of Germany's leading journal of sociology, the *Kölner Zeitschrift fuer Soziologie und Sozialpsychologie*). König chided Humboldt for not understanding the necessary and inherent connection between state and university. "An inner connection between [state and university] is no longer recognized [by Humboldt]."[9]

While rejected by Humboldt himself, the idea of a deep, symbiotic relationship between state and university would become the reigning ideology in Germany, where it was advocated by other influential figures and founders of the German university, in particular Fichte and Hegel, who believed that "*der Staat*" was the university's natural ally and ideal guarding authority. Fichte, of course, had made the state out as the chief force of cultural and educational renewal in his "Speeches to the German Nation." Hegel, for his part, had famously announced the state to be "the reality of the moral idea—the moral spirit as the revealed will."[10] The individual was to hold influence only to the extent that his will coincided with that of the state. L.T. Hobhouse has dubbed this idea the "metaphysical theory of the state," resting on the proposition ". . . that true individuality or freedom lies in conformity to our real will . . .; that our real will is identical with the general will, . . . and that the general will is embodied more or less perfectly in the state."[11]

When, after World War II, German scholars again took up the question of the relationship between the university and society, the Fichte-Hegel position received a strong reaffirmation by Jaspers:

> The university exists through the good graces of the body politic. Its existence is dependent on political considerations. It can only live where and as the state desires. The state makes the university's existence possible and protects it.[12]

In exchange for society providing the university with "legal and material support,"[13] the university provides society with "the pure service of truth"[14] and "professionally trained people."[15] The university "confidently accepts state supervision so long as this does not conflict with the cause of truth."[16] Yet, with all that faith in the state, Jaspers was quite aware of the dangers of the university's dependence on the state: "The degradation of the university to the rank of a public institution bereft of all individuality is quite conceivable."[17]

More than other German academics, Karl Jaspers represented the continuity of the humanistic social science uncontaminated by collaboration with Nazism or quiet accommodation with it. His vote for a state-dependent post-war Germany university assured that the German post-WWII university was re-erected on the foundation of the Fichte-Hegel position rather than that of Humboldt and Schleiermacher. But in hindsight, the victory of the Fichte-Hegel faction was a result not only of the strong influence of German idealistic philosophy's sanctification of the state, but also of a relative weakness of the civil society in Germany, which lacked both infrastructure and resources to organize and support the new institution of higher education independent of the state. For despite the resurgence of independent debating clubs, newspapers, and coffeehouses that marked the emergence of a new public sphere in Germany, the forces that might have financed and defended the university's institutional independence were weak. And even where they stirred and tried to organize, as Gustav von Mevissen did in his effort to organize business education, they were roundly rebuffed and defeated by an alliance between mandarin professors and top government officials.

Another factor favoring the continuity of the *Kulturstaat* model were the professors themselves. In the *Kulturstaat* idea, the chair-holder professors ("*Ordinarien*") are major gatekeepers of culture and power. They articulate the dominant ideas and preside over the exams that select the high level civil servants to implement them. They enter into a personal union with the key power-brokers in the ministries, most of whom obtained their positions by the grace of the professors. Burton Clark called this amalgam of power the "academic oligarchy–state elite" cluster, and Fritz Ringer, drawing on Max Weber, called it "the mandarins."[18] Delantey puts it sharply: "professors constructed themselves as the representatives of the nation and in this

way made themselves indispensable to the state."[19] Thus, the *Kulturstaat* model always enjoyed deep buy-in from the professors whose social influence and power it exalted. Yet, to the extent that the *Kulturstaat* model depends on a state that is capable of placing the truth over the preservation of power, it depends on an empirical improbability—and one deeply at odds with the assumptions that came to govern American university–government relations.

The Civil-Society–Centered View

To understand the different trajectory of the state–university relation in the United States, it is helpful to appreciate the influence of political philosophers rivaling in influence that of Fichte and Hegel in Germany, but with a starkly contrasting view. In my judgment there are only two writers who qualify in this regard: Tocqueville and Mill, who defined American thinking about the role of government as influentially as Fichte and Hegel did in Germany—albeit in a fundamentally different direction. Their ideas not only seamlessly cohere with and extend those promoted by the American founders, notably Madison and Jefferson. They are also arguably responsible for preventing the success of the national university movement that would have turned the American university into another state-dependent institution. At any rate, I want to suggest below that at the height of the agitation for the national university, the influence of these ideas proved strong enough to provide a not yet 40-year-old Charles Eliot with the notions and the gumption to successfully reject as "unsound" the idea "that it is somehow the duty of our government to maintain a magnificent university."[20] Against a numerical majority of adherents of the national university idea (including other senior higher education leaders like Cornell's Andrew D. White), Eliot insisted that universities ought to be free civil associations—the concept of which had been popularized in the United States only a few decades earlier by Alexis de Tocqueville.

In "Democracy in America," Tocqueville famously observes that "nothing . . . more deserves attention than the intellectual and moral associations in America."[21] Voluntary associations were key institutions for democratic vitality. "In every case, at the head of any new undertaking, where in France you would find the government or in England some territorial magnate, in the United States you are sure to find an association."[22] As Villa points out, Hegel believed that the civil society could realize "its potential only when integrated into the higher . . . ethical life of the state."[23] By contrast, Tocqueville saw their independence from government as key—even as they made important contributions to democratic self-governance. In fact, Tocqueville's and Hegel's political philosophies diverged most dramatically in their view of the state. Where Hegel saw the state as "realization of the moral idea," Tocqueville (using language that echoes the young Humboldt's "Limits . . .") was deeply concerned that

> in most countries now, education as well as charity has become a national concern. The state receives, and often takes, the child from its mother's arms to hand it over to its functionaries; it takes responsibility for forming the feelings and shaping the ideas of each generation. Uniformity prevails in schoolwork as in everything else; diversity, as well as freedom is daily vanishing.[24]

The intellectual climate in which Eliot came to maturity was heavily satiated with the ideas of Tocqueville. Leading Tocqueville adepts—Ticknor, Everett, Lieber—were also part of Charles Eliot's inner circle of friends and colleagues. As detailed in recent studies by Mancini and Zundt, his *Democracy in America* (an English translation of which was published in the United States in 1838) came to exert signal influence on the early generation of American historians and students of politics, especially through its role in the history and political science departments at Harvard, Yale, Cornell, and Columbia. Harvard history professor Francis Bowen produced a new edition of *Democracy in America*.[25] Influential scholars like Herbert Baxter Adams, Francis Lieber, and Daniel Coit Gilman taught a large number of young PhDs who pioneered the founding of new history departments around the country.

Gilman's debt to Tocqueville is evidenced, too, by Gilman's editorship of a new edition of *Democracy in America* published in 1898, for which Gilman wrote a fresh 46-page introduction. The spread of Tocqueville's ideas was helped by his encounters with the Boston Brahmins, who were among his first interlocutors, informants, and editor-publishers. They resonated strongly with his exultation of the New England township as a cardinal example for the new habit of self-government. One of the Harvard professors enamored with Tocqueville was Charles Eliot Norton, the cousin of the Harvard president. In an article for the *Atlantic Monthly*, Norton saw Tocqueville's "reputation and the weight of his authority are continually increasing."[26]

Amplifying and cementing the Americans' views about the proper relationship of state, education, and civil society was John Stuart Mill, whose influence came to rival that of his colleague and friend Alexis de Tocqueville. Mill took as uncompromising a stance against the controlling authority of the state as Tocqueville, but he did so in an idiom that might have spoken more directly to the East Coast patricians, condemning a "general State education [as] a mere contrivance for moulding people to be exactly like one another." To Mill, "individuality of character, and diversity in opinions and modes of conduct, involves, as of the same unspeakable importance, diversity of education." By contrast, a general state education cannot fail to establish a "despotism over the mind, leading by natural tendency to one over the body."[27]

Mill had been deeply influenced by his contemporary and long-term correspondent Tocqueville, but also by Humboldt's "Limits . . ." That book

came into his hands in 1854 when it became available in English for the first time (two years after its first complete publication in German). Humboldt's essay became a formative intellectual event for Mill, which he acknowledged in his *Autobiography* as one of the main influences on his essay "On Liberty."[28] Mill also expressed his debt to Humboldt by adopting Humboldt's phrase about the "absolute and essential importance of human development in its richest diversity" as the motto for "On Liberty." Not surprisingly, education figured prominently in Mill's thought, and opposition to state control in education was one of his leading principles.[29]

When "On Liberty" appeared in 1859, its author already enjoyed considerable renown in the United States, where he had been elected a Foreign Honorary Member of the American Academy of Arts and Sciences in 1856. Charles Sanders Pierce testified to Mill's influence among the members of the founders of American pragmatism in his recollections of the early days of the "Metaphysical Club": "We must have fought out nearly a thousand close disputations, regular set-tos concerning the philosophy of Mill . . . before the Metaphysical Club had been started."[30] William James, one of the club's key members, dedicated his book *Pragmatism* to Mill, "whom my fancy likes to picture as our leader were he alive today."[31]

Eliot's Battle Against State Control

Where Fichte (who became the first president of the new university at Berlin) had called on the state to seize and renew education, and where Hegel (succeeding Fichte as professor of philosophy) had lectured about the moral superiority of the state, their ideas met with a mixed reception by the thousands of Americans who returned from studying at the German university. One of the chief opponents was Charles Eliot, who, on his trip to Germany, had noticed that the Germans had no taste for liberty. Eliot's speech at the 1873 conference of the National Education Association, at which the conflict between the pro- and anti-national university factions came to a head, testifies to the influence of Tocqueville and Mill as opposed to Fichte and Hegel. Bolstered by the ideas of Tocqueville and Mill, Eliot could argue with an otherwise implausible confidence that the university *can* and *should* succeed as an independent, self-governing institution. And he did so in language strongly reminiscent of the two:

> Our government is a group of servants appointed to do certain difficult and important work. It is not the guardian of the nation's morals; it does not necessarily represent the best virtue of the republic, and is not responsible for the national character, being itself one of the products of that character.[32]

Cleverly, Eliot pointed out that the 'national university' rationale "prove[d] a great deal too much" in that it could, *mutatis mutandis*, also

be used to justify the state establishment of another highly beneficial and virtuous institution—a national church. Eliot closed with a resounding vote for "the old Massachusetts method" in the institutional configuration of university instruction pivoting on "permanent endowments administered by incorporated bodies of trustees."[33]

> This is the American voluntary system, in sharp contrast with the military, despotic organization of public instruction which prevails in Prussia and most other states of Continental Europe. Both systems have peculiar advantages, the crowning advantage of the American method being that it breeds freemen. Our ancestors well understood the principle that, to make a people free and self-reliant, it is necessary to let them take care of themselves, even if they do not take quite as good care of themselves as some superior power might.[34]

Eliot obviously agreed with Tocqueville that "in the long run, the sum of all private undertakings far surpasses anything the government might have done."[35]

Government as a Supporting Actor

Their disinclination to hand the reigns over education to government did not make Tocqueville, Mill, or Eliot purist rejecters of any government involvement in higher education. As a *supporting* actor, government could do much good in education, especially where it could contribute to enlarging choice rather than limiting it.[36] Tocqueville and Mill agreed that the state's active involvement in education was justifiable under certain circumstances, e.g., when the civil society was too weak to support independent educational institutions, as long as government was one of a plurality of providers, leaving parents or students with a choice.[37] Jefferson had famously accepted help from the state of Virginia when private donations did not suffice to cover the start-up costs for the university he founded. And pre-Eliot Harvard had received and welcomed subsidies from the state of Massachusetts.

In a supporting role, American state and federal government could and did indeed do enormous good to education at all levels. The governments of Midwestern and Western states like Michigan, Wisconsin, Pennsylvania, and California sponsored the creation of great public universities. Taking their cue from the great independent universities of the East, they left these public institutions great latitude to govern themselves. And the land-grant legislation and, after World War II, the GI Bill powerfully extended access for heretofore excluded groups, opening what otherwise might have remained an exclusive elite institution for democratic equality. The key feature of this involvement of government was its *facilitative* role, as opposed to a directive or controlling one. The GI Bill, for example, was crucial for opening American higher education to segments of middle and lower-income

classes heretofore excluded from it.[38] But unlike similar schemes to support students with limited financial means in Europe (i.e., *Bafoeg* in Germany), the GI Bill did not curtail the autonomous role of universities in deciding who to admit. Funds from the GI Bill went directly to individual students who still had to apply and pass entrance requirements of the university of their choice.

The distinction between government as a supporting and a controlling actor was made, e.g., in a 1980 article by Derek Bok. There he distinguished between legitimate government measures intended to support, subsidize, and stimulate higher education (e.g., through competitive research grants, stipends, or vouchers) and harmful ones like issuing more or less coercive commands and procedures on the other, even if those measures were undertaken in the interest of fairness or equality.[39] Bok warned that government regulation had grown into a "formidable bureaucracy" that wants to "be served with a constant diet of reports and data."[40] Such interventions can "easily clasp education in a deadly embrace. . . ." Echoing a key theme from his predecessor Charles Eliot, Bok warned that "[e]ducation is inescapably intangible and imperfect. Its progress depends on constant experimentation carried on through the innumerable trials and errors of many separate colleges and universities"[41]—a view shared by many other scholars and leaders of American higher education.[42]

Seeing Like a University

It is hard to overestimate the importance of that robust stream of thought flowing from Humboldt, Tocqueville, Mill, and Eliot, which connects the idea of political liberty to that of free educational institutions based in the civil society and independent of the state. German thought after Humboldt is "big government" thought, comfortably consistent with the reality of a big, overweening Prussian state. In that tradition it is taken for granted that the university without the state is unthinkable, or, as Jaspers kept pointing out, "helpless."

And yet, despite the obvious global significance of the American university, the notion that the university can exist independent of government remains largely a minority concept. So much so that even writers that are otherwise highly critical of state authority are likely to espouse it. An example here is Pierre Bourdieu who insists that:

> research . . . needs the state. [. . .] One cannot leave cultural production to the changing conditions of markets or philanthropists. [. . .] It is indeed important that there are government-paid professors of philosophy, but only on condition that they really use the freedom . . . that the state guarantees.[43]

In this conception, the state (with a capital "s") guarantees the freedom of the scholars whose intellectual courage ensures that the state places truth

above force. Even half a century after Jaspers and more than a century after Eliot, the *Kulturstaat* idea remains well and alive. In continental Europe, as elsewhere, the idea of government as an impediment of the university's autonomy remains a minority concept.[44]

Taming Markets in the Civil Society: Gould's Lament in Hindsight

An important effect of the civil society is its ability to tame market forces. The American university utilizes market forces of inter-institutional competition and choice as suggested in Adam Smith's design concept. But, as Slaughter and Rhoades have shown, this inevitably opens the university to the divisive forces of academic capitalism.[45] Their critical view of universities competing in market environments follows in the tradition of critics like Thorstein Veblen,[46] who a century ago pointed to many of the abuses of untamed markets in higher education where money could buy academic chairs; where business tycoons were replacing Protestant ministers and lawyers on the boards of trustees; where large donations by private donors were made in expectation of return favors; and where high tuition fees excluded children from the lower rungs of the class structure. There was also the rather overt racial and ethnic bias of the "university owners" that kept Jews and African Americans out of the American university until the middle of the 20th century.[47]

Even before Veblen, the discrepancy between the espoused aspirations of the American colleges and universities and the exclusive, parochial reality on their campuses prompted passionate challenges from critics of the new institution. In 1856 Benjamin A. Gould, an American astronomer who, after Harvard, had studied mathematics and astronomy under Gauss in Göttingen, wrote an essay for the *American Journal of Education* in which he challenged those who claimed that a college unsupported by government can prove self-sustaining. "Is there one of our colleges that is self sustaining? Shall we apply the doctrines of trade and barter to human souls? Are we to reason about mind and thought and culture and research, as we do about bales of cotton and chests of indigo?"[48]

Although he did not mention Smith, Gould clearly disagreed with his design concept:

> What! the teacher leaving his proud vocation, to throw out bait for pupils who may bring a few more dollars to the treasury, or a few more human beings to the lecture-room?[49]

For Gould, the same reason justifying free primary and secondary education could also be applied to higher education:

> I claim that the same arguments, which demand of a state that it educate its children, require in like manner and with equal force that all be

> furnished with full opportunity for developing their intellectual powers. . . . And if it be a high duty to supply colleges which shall help to change the well-trained boy into the cultivated man, how can it fail to be a duty also to enable the cultivated man to become the scholar, the investigator, the teacher, the helper, the ennobler of his race and country?[50]

To leave higher education in the hands of private individuals would inevitably degrade the noble pursuit of the university to the banal level of trading commodities. Individuals like Gould and Veblen were representative of many who opposed the influence of business and markets on the academy. They placed their hopes in government's ability to support and protect the community of scholars from the infringing world of money and markets.

But the American university shows that in the context of an overarching civil society, the effects of markets in education are not pre-ordained. Untamed markets can mean privatization, oligarchic ownership, and operations dependent on profitability. They can mean that students have access to education only based on money, status, or cultural capital; and that professors are valued according to their contribution to the university's profit margin. (Simon Head reports a serious scheme pushed by the University of Texas whereby professors are paid based on the number of credit hours they produce.)[51] By contrast, markets can also mean that universities utilize market mechanisms for the purpose of self-government in the context of civil society, regulated by norms of science and research, maintained through voluntary associations of researchers. Markets, in other words, can be *harnessed and tamed* in the context of civil society.

In his "doux commerce" idea, Montesquieu[52] saw the civilizing potential of commercial markets based on the fact that markets, where they develop relatively freely, typically produce a new class of middling affluence and means, changing what is otherwise a two-class society made up of wealthy oligarchs and poor laborers. This middling class is motivated by 'enlightened self-interest,' not the fiercer motives of glory or honor, or envy and resentment. Contemporary sociologists remind us that those middling classes create the condition for a "third sector" between markets and government:

> The American commercial republic was conceived as an institutional design that would stir the self-interest of individuals to produce not brutal competition but civilized emulation, uplifting the people's material and moral standards of life. Like Adam Smith, Hamilton and Jefferson believed in the providential design of nature and in the possibilities of a self-regulating political economy that included not only market and government but an active public life as well.[53]

The American founders believed in the gradual civilizing effect of civic associationism. They believed that "[o]pinion circulating among members of a

myriad of voluntary associations would produce a collectively prudent public."[54] In other words, markets can be beneficial to society if they are tamed in the context of the civil society. They are social constructions that require extensive institutional support.[55] American higher education works because (and when) certain features of an unrestricted market system are curbed or moderated by the sentiments and institutions that civil society generates. Let us note, however, that this also implies if and when those civilizing effects lose their power; if and when civil society stops being civil (by giving unfettered reign to oligarchical distributions of wealth and power), it may threaten the balance of the entire system.

Looking back to the reality of the late 19th century higher education, the critics of private higher education had much of the evidence on their side. Wealth and money clearly had an undue influence on access to and success in the prestigious seats of learning. And yet, in a profound historic irony, the advocates of independence from government turned out to be right. Out of the uncoordinated mess of a myriad of private initiatives grew an institutional setting that is the unquestioned world leader in research, research training, and higher education. The results of the incremental flow of pragmatic, small-step adaptations, of tolerance for unsystematic, hybrid, and inelegant solutions afforded by market competition turned out "more intelligent" than the systems Gould advocated.

Coda

It is historical irony in the highest degree that Humboldt's institution, founded and realized by Germany's most liberal political thinker and statesman, required a re-founding on "America's liberal soil" (Ticknor), before it could succeed as the self-governed, self-organized institution its founder envisioned. Bled dry on its native soil by a metaphysical conception of the state, the independent university required a blood transfusion from proponents of civic associations and civil society like Tocqueville and Mill to survive the ubiquitous hankering for a governmentally organized university. This, we saw, came perilously close to succeeding even in the nation of "limited government." Thanks to their ideas and the leadership of key figures like Eliot, the university became emancipated from the pressure of what James C. Scott called "seeing like a state."[56] It learned to sustain itself through an open interchange with a plurality of supporters, beneficiaries, and benefactors in a civic space capable of answering to the norms of civility. On the importance of an open interchange between the university and civil society, I'll let David Hume have the last word:

> . . . learning has been as great a loser by being shut up in colleges and cells, and secluded from the world and good company. By that means, every thing of what we call Belles Lettres became totally barbarous, being cultivated by men without any taste of life or manners, and

> without that liberty and facility of thought and expression, which can only be acquired by conversation. Even philosophy went to wrack by this moaping recluse method of study, and became as chimerical in her conclusions as she was unintelligible in her stile and manner of delivery. And indeed, what could be expected from men who never consulted experience in any of their reasonings, or who never searched for that experience, where alone it is to be found, in common life and conversation?[57]

Without the university's embeddedness in a vigorous civil society, it cannot maintain itself as a place of free inquiry and innovation. The reason why the university needs the civil society is because the university, left to itself, is incapable of warding off or self-correcting ubiquitous corrosive tendencies resulting from mandarinism (the tendency of academics to turn specialized knowledge into a lever of power); the self-serving confirmation bias of reason, which will always be better at confirming self-interested beliefs than at exploding established truths supportive of vested interests; the preference of administrators for parsimony and efficiency over diversity and innovation; and the huge potential of university research to be instrumentalized by for-profit corporations.

Universities, even as they produce knowledge and train new adepts in its use, are subject to the kind of self-interested power stratagems that require checks and balances from forces outside themselves. Civil society institutions—the press, the media, foundations, and the myriad voluntary associations, and government (as one actor in the civil society)—are better able to recognize bias and insist on correction than the university by itself or controlled and regulated by governments.

Notes

1 Karl Jaspers, *The Idea of the University* (Boston, MA: Beacon Press, 1959), 124.
2 Ibid.
3 Charles Eliot, 'A National University', *The Popular Science Monthly*, October (1873), 689–692, 689.
4 For an overview of the contemporary discussion of university–society relations, see Guy Neave, 'The Universities' Responsibilities to Society: An Historical Exploration to an Enduring Issue', in *The Universities' Responsibilities to Societies* (Amsterdam: Permamon, 2000), 7–30.
5 The German state-centered view of university governance is excellently reconstructed by Marek Kwiek, *The Classical German Idea of the University Revisited, or on the Nationalization of the Modern Institution* (Center for Public Policy, 2006).
6 Wilhelm Freiherr von Humboldt, *Schriften Zur Anthropologie Und Bildungslehre*, ed. by Andreas Flitner (Düsseldorf: Kuepper, 1965), 83.
7 Thomas Brunner, *Zur Aktualitaet Des Bildungsideals Wilhelm von Humboldts* (Berlin: Immanente, 2012), 25.
8 Quoted in: Rene König, *Vom Wesen der deutschen Universität* (Opladen: Leske und Buderich, 2000), 221.
9 Ibid. 220.

10 G.W.F. Hegel, *Philosophy of Right*, trans. by T.M. Knox (Oxford: Clarendon, 1942), 257.
11 Leonard T. Hobhouse, *The Metaphysical Theory of the State* (Routledge, 2009), 36.
12 Jaspers, *The Idea of the University*, 121.
13 Ibid. 122.
14 Ibid. 121.
15 Ibid. 127.
16 Ibid. 125.
17 Ibid. 124.
18 See Burton R. Clark, *The Higher Education System: Academic Organization in Cross-National Perspective* (Berkeley, CA: University of California Press, 1983) and Fritz K. Ringer, *The Decline of the German Mandarins; the German Academic Community, 1890–1933* (Cambridge, MA: Harvard University Press, 1969).
19 Gerard Delanty and Patrick O'Mahony, *Nationalism and Social Theory: Modernity and the Recalcitrance of the Nation* (London: Sage, 2002), 34.
20 Eliot, 'A National University',.
21 Alexis de Tocqueville, *Democracy in America* (New York, NY: Anchor, 1969), 517.
22 Ibid. 513.
23 Dana Villa, 'Tocqueville and Civil Society', in *The Cambridge Companion to Tocqueville*, ed. by Cheryl B. Welch (Cambridge, NY: Cambridge University Press, 2006), 216–244, 222.
24 Tocqueville, *Democracy in America*, 680–681.
25 Matthew J. Mancini, *Alexis de Tocqueville and American Intellectuals: From His Times to Ours* (Lantham, MD: Rowman & Littlefield Publishers, 2005); Olivier Zunz, 'Tocqueville and the Americans', in *The Cambridge Companion to Tocqueville*, ed. by Cheryl B. Welch (Cambridge, NY: Cambridge University Press, 2006), 359–396.
26 Ibid. 118.
27 John Stuart Mill,'*On Liberty' and Other Writings* (Cambridge, MA: Cambridge University Press, 1989), 106.
28 On the affinity between Humboldt and Mill, see Andrew Valls, 'Self-Development and the Liberal State: The Cases of John Stuart Mill and Wilhelm von Humboldt', *The Review of Politics*, 61 (1999), 251–274.
29 Mill,'*On Liberty' and Other Writings*, 115.
30 Quoted in Louis Menand's, *The Metaphysical Club* (New York, NY: Macmillan, 2001), 221.
31 Ibid. 369.
32 Eliot, 'A National University', 690.
33 Ibid. 692.
34 Ibid. 692.
35 Tocqueville, *Democracy in America*, 95.
36 Tobias Schulz-Cleven makes a similar distinction between an enabling and what he calls a constitutive role for the state in a recent paper: "Liberalizing the Academy: The Transformation of Higher Education in the United States and Germany," Berkeley, CA: Center for Studies in Higher Education (CSHE.1.15) February 2015. Because of this difference, he argues that the American system is more open for corporate erosion than the German. See on this the last chapter on the fragility of the university's self-government.
37 I have discussed this in more detail in Heinz-Dieter Meyer, 'Between Solidarity and Liberty: Government, Markets, and Families as Agents of Education in a Civil Society', in *Education Between State, Markets, and Civil Society:*

Comparative Perspectives, ed. by William Lowe Boyd and Heinz-Dieter Meyer (Mahwah, NJ: LEA, Routledge, 2001), 119–134.

38 See, e.g., Edward P. St John, 'The Legacy of the GI Bill: Equal Opportunity in U.S. Higher Education after WWII', in *Fairness in Access to Higher Education in a Global Perspective: Reconciling Excellence, Efficiency, and Justice*, ed. by Heinz-Dieter Meyer and others (Rotterdam: Springer Science & Business Media, 2013), 57–78.

39 This distinction between a facilitative and a controlling role of government is instructively developed for the contemporary scene in John Taylor, 'The State and Higher Education Institutions: New Pressures, New Relationships and New Tensions', in *Higher Education and the State: Changing Relationships in Europe and East Asia*, ed. by Roger Goodman and Takehiko Kariya (Oxford, UK: Symposium Books Ltd, 2013), 9–35.

40 Derek C. Bok, 'The Federal Government and the University', *Public Interest*, Winter (1980), 80–101, 81.

41 Ibid. 85.

42 See, e.g., Edward Shils, 'The American Private University', *Minerva*, 11 (1973), 6–29; and Sidney Hook, Paul Kurtz, and Miro Todorovich, *The University and the State: What Role for Government in Higher Education?* (Amherst, NY: Prometheus Books, 1978).

43 Quoted in: Clara Steinkellner, *Menschenbildung in einer Globalisierten Welt: Perspektiven einer Zivilgesellschaftlichen Selbstverwaltung unserer Bildungsräume* (Berlin: Ed. Immanente, 2012), 234–235 (my translation).

44 One influential member of this intellectual minority is Konrad Schily, founder of Germany's first private university. His ideas and experiences are engagingly detailed in Konrad Schily, *Der Staatlich Bewirtschaftete Geist: Wege aus der Bildungskrise* (Düsseldorf: ECON Verlag, 1993).

45 Sheila Slaughter and Gary Rhoades, *Academic Capitalism and the New Economy: Markets, State, and Higher Education* (Baltimore, MD: Johns Hopkins University Press, 2009).

46 Thorstein Veblen, 'Higher Learning in America', in *The Portable Veblen* (New York: Viking, 1918/1962), 507–538.

47 Jerome Karabel, *The Chosen: The Hidden History of Admission and Exclusion at Harvard, Yale, and Princeton* (Boston, MA: Houghton Mifflin Harcourt, 2005).

48 Benjamin A. Gould, 'An American University', ed. by Henry Bernard, *The American Journal of Education and College Review*, II (1856), 265–293, 283.

49 Ibid.

50 Ibid. 290.

51 Simon Head, 'The Grim Threat to British Universities', *New York Review of Books*, January 2011, http://www.nybooks.com/articles/2011/01/13/grim-threat-british-universities.

52 Charles de Secondat baron de Montesquieu, *Montesquieu: The Spirit of the Laws*, (Cambridge, UK: Cambridge University Press, 1989); see also the discussion of "doux commerce" in Albert O. Hirschman, *The Passions and the Interests* (Princeton, NJ: Princeton University Press, 1995), 59–60.

53 Robert Bellah, Richard Madsen, Steve Tipton, William Sullivan, and Ann Swidler, *Good Society* (New York, NY: Knopf Doubleday Publishing Group, 2011), 92.

54 Ibid.

55 Charles E. Lindblom, *Politics and Markets: The World's Political Economic Systems* (New York, NY: Basic Books, 1977).

56 James C. Scott, *Seeing like a State: How Certain Schemes to Improve the Human Condition Have Failed* (New Haven, CT: Yale University Press, 1999).

57 David Hume, 'An Essay on Writing', in *Selected Essays* (Oxford, UK: Oxford University Press, 1998).

16 Shared Governance

The American university emerged in the context of a complex arrangement of American social and political institutions and traditions that were essential prerequisites for the institutional innovations discussed in this chapter. In this section I want to focus on one aspect of these prerequisites—the civil society and its attendant liberties—that is both ubiquitous and easily overlooked. With many non-democratic governments vying to organize or acquire "world class" universities in their countries, the liberties of speech, association, and organization are often viewed as optional, in stark contrast to Jefferson's belief that liberty is "the great parent of science and of virtue; and that a nation will be great in both always in proportion as it is free."[1]

While most features of the American university were in place by World War I, one essential piece of it—the institution of shared governance—took longer to mature. Significantly, this essential part of the university's overall design, which brought tenure and freedom of expression to the faculty of American universities, resulted not from reforms led by government bureaucrats but from an organizing campaign in which professors utilized the freedoms of the civic association.

Executive Presidents between Benign Paternalism and Autocratic Overreach

We saw above how the American university has been the first (and so far only) to introduce the role of the executive president, and how the board of trustees operates as the president's most important check. This gives the president strong powers, but strong powers invite overreach. Thus it is neither surprising that American university presidents have, at times, behaved autocratically and hired or dismissed faculty based on personal or political preference, nor that faculty have, over time, insisted on carving out a protected zone of freedom in which they could pursue research and publication subject only to the strictures of their discipline.

Although there was an implicit assumption of "presumptive permanence" of employment during much of the 19th and early 20th centuries, professors nevertheless served at the pleasure of the president and boards. Varying by

institution and personality of the president, the culture of a university might veer more towards benign paternalism or autocratic ownership—against which the faculty's departmental self-organization provided no effective match. And with graduate schools flourishing, and salaries and working conditions everywhere on the rise, it was not at all unusual for presidents to assume strong autocratic powers. Robert Hutchins famously sought "full responsibility for and full authority over the educational and scholarly work of the University, its course of study, publications, appointments to the faculty, and all other matters relating to its activities in education and research,"[2] as did his Chicago predecessor William Harper.[3] And Charles Eliot would occasionally boast that he personally oversaw and determined the hiring of senior faculty "after a great deal of informal conference with the professors . . . most nearly interested."[4] Eliot also disliked when department chairs had too much control.[5]

Big donors were able to influence hiring and firing, and occasionally would press to remove professors or block the hiring of certain candidates, as in the case of "lumber king" Henry W. Sage at Cornell, who "could make or break presidents as well as faculty members."[6] Dismissed individuals had no legal recourse.

An early case to bring wide attention to the tenuous status of academic freedom in the American university was the 1894 case of Richard Ely at the University of Wisconsin–Madison. Ely, a political economist who had studied in Germany and at Johns Hopkins, took a sympathetic view of labor and labor law reform. When he seemed so support labor action in Wisconsin, members of the Wisconsin legislature, the business community, and the Wisconsin Board of Regents pushed—ultimately unsuccessfully—for his dismissal.[7]

Another case involved the sociologist Edward A. Ross, who was pressed to leave Stanford University at the insistence of Jane Stanford, the widow of the university's founder Leland Stanford. Professor Ross had run afoul of Mrs. Stanford for his criticism of the employment of Chinese laborers by the Southern Pacific Railroad, run by Stanford's founder Leland Stanford. Undeterred, Ross continued his agenda of progressivist research and social criticism at the University of Nebraska and, in 1914/15, served as fifth president of the American Sociological Society.

The cases of Ely and Ross were only two of the better known in a long series of skirmishes and some full-blown battles around academic freedom. In 1903, the mathematician G.B. Halsted was fired from the University of Texas at Austin after criticizing the university for giving hiring preference to a well-connected but inferior candidate.[8] In 1933, president Hamilton Holt of Rollins College fired John Andrew Rice, an atheist scholar, and required all professors to make a "loyalty pledge" to keep their jobs. And even as late as 1949, the Regents of the University of California adopted a loyalty oath under the influence of Eugene McCarthy's anti-communist agitation.

Cases like these made the increasing influence of businessmen and the autocratic atmosphere at universities a target of the now well-known criticism

of Thorstein Veblen and others.[9] It also prompted John Dewey, Arthur Lovejoy, and Ross himself to organize opposition to the paternalistic practices. John Dewey had already in 1902 taken public notice of threats to academic freedom.[10] Now he joined the work of Ross and others which eventually led to the creation of the American Association of University Professors. With the Ross/Stanford case still fresh in memory, Arthur O. Lovejoy, philosopher at Johns Hopkins, John Dewey, philosopher at Chicago and later Columbia, and Ross organized a meeting in 1915 to ensure academic freedom for faculty members that led to the founding of the American Association of University Professors (AAUP). Lovejoy, who had studied philosophy at Harvard under William James, had been among those who resigned from Stanford University to protest the dismissal of Ross. In 1925, ten years after the first meeting, the AAUP formulated a statement of "Principles on Academic Freedom and Tenure," which the association officially adopted in 1934.

After three decades of agitation and mobilization, the efforts of the AAUP were finally victorious only in 1966 when the three major organizations of higher education governance—the AAUP, the American Council on Education (ACE), and the Association of Governing Boards of Universities and Colleges (AGB) jointly underwrote the 1966 statement on shared governance entitled "Statement on Government of Colleges and Universities." Jencks and Riesman, writing in 1968, famously labeled this "the academic revolution," propelling, for the first time in American university history, the faculty to the position of most powerful stakeholder in the university.[11]

The 1966 statement declared that the faculty has "primary responsibility for such fundamental areas as curriculum, subject matter and methods of instruction, research, faculty status, and those aspects of student life which relate to the educational process."[12] In these matters the president and the board "should concur with the faculty judgment." The 1966 statement cemented the institute of tenure on the one hand and shifted the weight of faculty evaluation in favor of more emphasis on research.[13]

Jencks and Riesman, in their summary assessment, judged that after decades of conflict, "[t]he professors . . . won the war."[14] The power balance between faculty and administration had tipped decidedly in favor of the former. Chait summarizes it as "greater emphasis on scholarly (and funded) research, less attention to undergraduate education, fortification of the disciplines, expansion of the faculty, and the accelerated development of professional schools."[15] Key to the success: the institutionalization of tenure, associated with far greater voice in academic affairs at the university as a whole. While faculty self-government had heretofore been focused at the department level, the 1966 agreement brought in its tow the development of committees and senates through which faculty would now be participating in self-governance at the university level. Other important changes included greater faculty voice in the selection of key administrators (presidents, deans, and department chairs), budget, committee appointments, and even opportunities to communicate ideas with the trustees.[16]

While 1966 was a major milestone in the development of academic freedom and protecting faculty from overreach by strong boards or presidents, the pendulum did not rest there. Three decades later, in 1998, the pendulum swung back when the AGB all but cancelled their support for the joint 1966 statement, challenging the faculty's leading role and declaring that "[b]oards should ensure that no single stakeholder group is given exclusive franchise in any area of governance."[17]

As the beneficiaries of tenure, today's academics often forget that the overreach from boards and presidents was real and painful. The cases in which censure and dismissal became notorious were only the tip of the iceberg. Less easily seen was the chilling effect the board's paternalism had on the many academics who self-censored their freedom of research and expression. It took a concerted effort by leading faculty and intellectuals, who created new forms of association and organization and took their grievance to the public sphere to counteract presidential overreach.

But history has not stood still. New developments are making new demands on universities, requiring new forms of leadership. The strong executive is needed as much as ever, but he or she needs to find new ways to work together with the faculty. To date, the issue is in flux and the precise contours and meaning of "shared governance" remain contested.[18]

Notes

1 Thomas Jefferson, *Jefferson: Writings* (Washington, DC: Library of America, 1984), 949.
2 Michael M. Crow and William B. Dabars, *Designing the New American University* (Baltimore, MD: Johns Hopkins University Press, 2015), 129.
3 Laurence R. Veysey, *The Emergence of the American University* (Chicago, IL: University of Chicago Press, 1965), 304.
4 Ibid. 304 (note 139).
5 Ibid. 322 (note 189).
6 Ibid. 349.
7 Larry G. Gerber, *The Rise and Decline of Faculty Governance: Professionalization and the Modern American University* (Baltimore, MD: Johns Hopkins University Press, 2014), 190. Faculty governance as "last-line defender against the triumph of a narrowly utilitarian definition" of higher education, 166.
8 Ibid. 45–50 for other cases.
9 Thorstein Veblen, 'Higher Learning in America', in *The Portable Veblen* (New York, NY: Viking, 1918), 507–538.
10 John Dewey, 'Academic Freedom', *Educational Review*, 23 (1902).
11 Christopher Jencks and David Riesman, *The Academic Revolution* (Garden City, NY: Doubleday, 1968).
12 Quoted in Richard Chait, 'The "Academic Revolution" Revisited', in *The Future of the City of Intellect: The Changing American University*, ed. by Steven G. Brint (Stanford, CA: Stanford University Press, 2002), 301.
13 Ibid. 293
14 Jencks and Riesman, *The Academic Revolution*, 15.
15 Chait, 'The "Academic Revolution" Revisited', 293.
16 Gerber lists the following criteria as indicators of faculty governance: Boards: Is there exchange of opinion between trustees and faculty? Presidents, deans, and

department chairs: is the faculty consulted in the selection of these officers? Appointments: is there consultation between administration and faculty concerning appointments, promotions, and dismissals? Budget: do departments handle their own budget? Committee assignments (by faculty election).

17 Quoted in Chait, 'The "Academic Revolution" Revisited', 301.

18 Heinz-Dieter Meyer, 'The Crisis of Dual Governance in Higher Education and the Possibility of a New Rapprochement: Insights from Organization Theory', *TÉLESCOPE, Revue D'analyse Comparée En Administration Publique*, 20 (2014), 156–169.

17 Systemic Design Properties

Autonomy as Complex Self-Organization

The American university is the only institution of higher education to integrate the ideas of Smith and Humboldt. This integration is an important innovation because, while both sets of ideas are essential, they are also limited and in conflict. Smith emphasized the need for institutional competition to keep universities striving for improvement and as a check on professorial opportunism. But to do so he wanted to rely chiefly on a one-sided monitoring regime anchored in students' voting with their feet (by exiting professors' courses whose instruction they did not like). Humboldt wanted to create a community of scholars in which not the dispensation but the love and search for knowledge would be the organizing principle, but he was unable to shake the university's dependence on the state in such crucial matters as funding and hiring of faculty.

By integrating the principles of Smith's market competition with Humboldt's community of scholars, the American university stripped both principles of their one-sidedness: in Smith's case, a flawed method of checking professorial opportunism by student self-interest; and in Humboldt's case, a zeal for the university's disinterestedness that left it open for an exclusive and ultimately crushing dependence on the state.

This generates several synergetic effects—vigorous self-government, effective boundary control, independent leadership, institutionalized diversity, and talent matching—which I'll detail below.

Vigorous Self-Government

In the preceding chapters, I investigated several design innovations that allowed the American university to advance further in the innovation efforts of which Ticknor had caught early glimpses. These institutional innovations have produced systemic properties at the micro, mezzo, and macro levels of institutional interaction:

–At the micro level, I focused on a *combination of departmental self-government and executive control* configured in a way where they can support, but also check and balance each other. This requires vigor on

both sides: the community of peers and the executive authority. Each must be able to act forcefully in order to ensure that the university is effectively self-governed and to check the potential for opportunistic abuses.

– At the intermediate or mezzo level, I focused on a novel infrastructure of independence and interdependence. This is an institutional innovation that ensures that universities can operate independent of both markets and government, while also preventing them from breaking apart into non-communicating classes of institutions. This latter effect is achieved through a peculiar combination of vertical and lateral differentiation among institutions that emerged spontaneously as independent institutions adapted to unregulated environments. Vertical differentiation is needed to ensure that highest standards of excellence are visible throughout the system. Lateral differentiation is needed to ensure that the system serves a diversity of social needs and that any member of the system, no matter their starting point, has an open runway towards excellence.

–At the macro level I focused on the distinction between a university dependent on the state and one that is governed in the context of the civil society. In the United States, higher education institutions benefit from being embedded in the context of a self-organized civil society. Self-organization in the academy must be supported as well as checked by non-academic actors of the civil society. It was in the context of an open, civil society, too, that American professors and universities were finally able to develop the most recent institutional innovation of shared governance, the exploration of which returns us to the micro level.

The description here is that of an ideal-typical institution—an institutional *Gestalt*—in Weber's sense. In practice, the equilibrium suggested by such an ideal-typical description is often fragile and at risk. In the face of such challenges, an institution depends on the availability of balancing mechanisms that can help it return to a stable state by means of what John Kenneth Galbraith called "countervailing powers"[1]—an array of systemic checks and balances at institutional, inter-institutional, and societal levels. The emphasis on countervailing powers implies a skeptical view that any single authority—whether government, professional associations, administrators, or students—can produce those checks by themselves. By contrast, the American system provides us with a glimpse into the mechanics of a self-regulated system of higher education that can—even in the absence of a central authority—achieve stability at high levels of performance by both harnessing and taming the conflicting mechanisms of markets, government, and civil society.

Complex Autonomy

The American design innovations reinforce each other in ways that strengthen their aggregate effectiveness. Executive presidents can keep the

abuses of collegial faculty rule in check, as boards of trustees can keep tabs on executives. A strong role of philanthropic sponsors lessens the universities' dependence on compulsory funding, but also means that universities must prove that they "add value" to the interests of a great variety of stakeholders. In particular the American design innovations produce stronger forms of organizational autonomy, which are less easily invaded by bureaucratic or economic system imperatives (although certainly not immune to them). They also produce more effective and inspired collective leadership that makes the university less dependent on the rare and improbable genius of a Humboldt or Eliot.

If the strength of an institution is decided by how well it balances its interdependence with other institutions with the pursuit of its own goals and mission, then the American university has achieved new levels of strength. While the problem is usually discussed in terms of "autonomy" conceived as an institution's *in*-dependence from its environment, the American example shows that autonomy is better conceived as one of dynamic *inter*-dependence, where institutions honor their unique mission not in the absence of conflicting demands from the surrounding society but in interaction with them. In a complex society, effective autonomy works best as complex autonomy. This kind of autonomy emerges from a dynamic equilibrium of forces in which an institution achieves self-government not because it withdraws from society (or is shielded from it by a superior authority) but because it occupies a position in a web of exchange relations that leaves it with sufficient degrees of independence even after it satisfies the legitimate demands from surrounding institutions of markets, politics, and civil society.

Contrary to the fears of Schelling, Schleiermacher, and Humboldt, the American university shows that educational institutions can effectively operate *in* the world and retain effective degrees of autonomy. Instead of autonomy as a result of an artificial separation from society that can only be engineered by a super-ordinate authority on whom the university becomes dependent, the American university achieves self-organized autonomy by interacting with and being backed by an unprecedented diversity of sponsoring actors and institutions, all of whom *support*, but none of whom necessarily *control* the university (although that certainly remains an empirical possibility, see the concluding chapter). Autonomy thus conceived does not emanate from an act of super-ordinate grace. Rather, it is the emergent outcome of myriad self-organized activities. Instead of flowing from the strength of a single powerful sponsor (church or state), it emanates as net-effect of complex, self-governed exchange relations.[2]

Effective Boundary Control

Unlike universities in many parts of the world, American universities have the ability to control their boundaries at the organizational or 'enterprise' level. Instead of having to accept centrally allocated budgets, faculty,

students, or programs, they are able to control who gets in (faculty hiring, student selection), who gets what (internal allocation of resources), what gets offered, and—to some extent—how to increase their financial support. Coupled with strong powers of the university executive at the president's level, this provides American universities with the ability to effectively *police their boundaries*. As organizational researchers have argued, boundary control allows organizations a sense of responsibility and ownership that reduces the incidence of free-riding.[3] By contrast, lack of boundary control creates a sense of despondent dependence that discourages initiative and entrepreneurialism.

One effect of strong boundary control is to make individual universities maneuverable. As individual universities try to exploit variations in their individual profiles and local environments to their advantage, they produce many small innovations. Successful innovations are scaled up as they travel from organization to organization and ultimately diffuse throughout the system without the need for centralized intervention or control.

A Cohort of Independent Leaders

Another synergetic effect results from university leaders' ability to collectively watch and consult with each other. A system of many hundred independent institutions that compete for prestige produces a crop of academic leaders motivated to observe, compete with, and learn from each other. With hundreds of independent universities led by carefully selected presidents, there is a good chance that the American system produces, at any given point, a plurality of gifted leaders who, like Humboldt and his circle of colleagues, productively agree and disagree with each other. Thus we have in the United States something akin to an invisible college of academic leaders, who, like Eliot, Gilman, White, Jordan, and other leaders of the founding generation, watch and consult with each other. Even if not every generation produces giants like the 19th century founders, or influential figures like Hutchins, Conant, or Kerr—when compared to their peers in Europe (or, for that matter, anywhere else in the world), the American system produces academic leaders of greater longevity and genius, and provides them with greater latitude to follow their intuitions. In Germany, the genius of Humboldt and the Machiavellian strength of Althoff remained unrepeated and unmatched in a system that severely restricts the scope of leadership. In the United States, a continuous flow of academic leaders enjoys the freedom to direct and redirect the organizations they lead. And their institutional experiments generate a stock of experience from which everyone can learn.

In short, the American university is at any given point led by a cohort of independent leaders who, together with their peers at the department level, form the backbone of a form of vigorous self-government and leadership that most other academic systems lack. These leaders have the power to forge new models and new aspirations in ways that no-one can

who would merely try to satisfy government regulations or market imperatives. What emerged in America is a new class of academic leaders who, at their best, combine the contradictory talents of scholar, entrepreneur, negotiator, and visionary leader. They play an indispensable role in moving the idea of shared governance—governance by consultation—from idea to reality.

Herbert Simon's "oil and water" analogy may apply here. The task of academic leaders (in Simon's case, the deans of business schools dealing with the conflicting demands of researchers and practitioners) is to keep the spontaneously divergent elements of a university in continuous interaction. "Left to themselves, the oil and water will separate again. . . . Organizing, in these situations, is not a once-and-for-all activity. It is a continuous administrative responsibility, vital for the sustained success of the enterprise."[4] In other words: academic leadership is not the business of law-makers or government bureaucrats. It is not done by formulating general rules or precepts. Changing from situation to situation and from institution to institution, it requires wise action, judgment, perspicacity, and wisdom. To develop such judgment, presidents benefit from interaction with their peers. To deploy it, they need freedom from external control.

Diversity Trumps Ability

Thirdly, American higher education is characterized by a degree of institutional diversity unmatched anywhere else in the world. Because the threshold to launch new entrants is low, higher education takes place in a setting in which the excellent and the pedestrian, the grand and the useful, the ingenious and the mundane co-exist side by side. The fact that American higher education, when considered as a whole, sports the most brilliant institutions and the most mercenary ones is not an historical accident, nor are the less prestigious institutions merely a negligible aberration from an otherwise shining degree of excellence. They are a constitutive part of the package. The system's roots in flat utilitarianism ensure that it remains connected to society as a whole, while its high peaks of excellence give less eminent institutions a goal and a compass for voluntary self-improvement.

The sprawling institutional diversity which places religious colleges alongside secular ones, elite academic institutions alongside technical or vocational ones, institutions dedicated to the creative arts alongside those dedicated to commerce or engineering, and small obscure places alongside world-renowned ones—this diversity (which in many other countries would be considered a liability prompting government officials to censure or shut down the weak and mediocre) is one of the many wholesome manifestations of institutional autonomy and self-government in the United States. Systems that allow the spontaneous evolution of institutions and tolerate and cultivate such diversity are liable to harness significant emergent effects at the aggregate level.[5]

There is a history to the praise of the superior results from undirected institutional evolution. It comes from Adam Ferguson and Adam Smith, who saw the gradual evolution of patterned stable states as a case of "spontaneous order."[6] Modern system theorists agree that there is such a thing as what Barry describes as "non-coerced emergent patterns," which can trump the one-best-way rationalism issuing from grand, centrally planned designs (although there may still be a strategic role for corrective government action).[7] Locally adaptive mechanisms deal better with the kind of uncertainty as to the direction in which our educational institutions should develop. No one can plan very far into the future. Multiple streams of local adaptation allow people to compare the results of *experimentation*. Axelrod and Cohen put it thus: "the hard reality [is] that the world in which we must act is often beyond our understanding. . . . [This] implies that each action we take is partly an instrumental step and partly a learning experience."[8] Rationalists place greater trust in the ability of a few experts to design grand systems than in the "wisdom of the crowd," the ability of thousands of uncoordinated individuals to evolve something as good as the centralists' monuments. Instead of focusing on designing for specific outcomes, Axelrod and Cohen propose that policy makers ask whether the overarching institutional framework allows for institutional learning. Does it exhibit openness for experimentation, unambiguous feedback, openness for change, and adaptation? Is it well adapted to bounded rationality and uncertainty, trusting more in our ability to muddle through than the perfectionism of omniscient design?

In his book *The Difference: How the Power of Diversity Creates better Groups, Firms, Schools and Societies*,[9] Scott E. Page continues the spontaneous order tradition, making the counter-intuitive claim that "diversity trumps ability." By that he means that the ability that results from the pooling of "good" performers from diverse backgrounds trumps the ability of top experts that often hail from a more homogeneous group: "when solving problems, diversity may matter as much, or even more than, individual ability."[10]

Page postulates that human problem solving is subject to several framing mechanisms, which he calls "perspectives, interpretations, and heuristics," which benefit from diversity. The more "expert" a group of individuals, the less diverse and the more likely their perspectives, interpretations, and heuristics converge, and vice versa. Page's reasoning suggests that the absence of a single center ordering all institutions of higher education according to one universal plan increases the aggregate intelligence available in the system by increasing institutional diversity. Diverse institutions of higher education whose leaders and members employ a greater diversity of perspectives, interpretations, and heuristics are more likely to come up with local variations representing experiments on how to address a novel challenge. James March has described the same problem using the language of an "explore-exploit" tradeoff.[11] Explore-exploit tradeoffs represent alternatives among which organizations must choose when deciding whether to spend scarce

resources exploring untested innovations or exploiting those few that are tried and true. While single organizations can only explore a narrow range of untested options, diverse and decentralized institutional structures facilitate exploration and learning because they are less at risk to short-circuit the exploration of alternatives in favor of prematurely converging on exploiting the presumed advantages of established solutions. These findings are also supported by research done by Nobel laureate Joseph Stiglitz, who found that centralized systems perform well in case of rare high-stakes decisions (such as going to war or not), while decentralized systems are superior in finding novel solutions to problems of intermediate complexity.[12]

The work of Page, March, Weick, and Stiglitz suggests that centralized systems over-exploit a narrow range of workable options and under-explore alternatives. They prematurely converge on a few well-tested solutions. They also over-direct (over-steer) the operating units through top-down command, prizing efficiency over innovation and centrally imposed order over bottom-up vitality. It seems to me that the American university is a prime case in point. Institutional diversity, by providing the freedom to explore and allowing institutions to strike out in new directions, increases the system's aggregate intelligence.

Another advantage of a diverse system of autonomous institutions is that it conforms better to the bounded rationality of leaders and policy makers. We don't know tomorrow's demands for our collective survival. Leaving things up to a single central planning agent incurs a high probability of getting stuck on suboptimal paths. An institutional design that facilitates diversity is, in the long run, superior to a system that focuses on selecting and grooming the best of the best.

Talent Matching (*Similia Similibus*)

A final case in point for the power of diversity is the efficient use and extension of talent in diverse systems. In fact, one of the unique features of the incrementally graded American system is that it allows for talent matching, the "*similia similibus*" to which Benjamin Peirce called attention more than a century ago. According to Peirce ". . . minds of a certain order can only be instructed by minds of the same order. The similia similibus is a real law of mind. . . ."[13]A system that exhibits only vertical differentiation is less adept at talent matching (e.g., the talents of teachers and students) than one which, like the American system, allows vertical *and* lateral differentiation. Student and teacher talent is mismatched when either group is too smart for the other. In either case, energies will be dulled. Where higher education is administered according to a central scheme, there is less room for talent matching than in a diverse system offering myriad choices among laterally and vertically differentiated institutions.

Centrally governed reforms designed to maximize the quality or "excellence" of a country's higher education system almost always overtax our

bounded rationality. They bite off more than they can chew. They maximize one desirable system feature (fairness, efficiency, access), at the expense of others (quality, diversity, accountability, etc.). Or they lack the nuance to perceive and cope with the counter-productivities unleashed by their single-minded pursuit. Tocqueville already knew this when he praised American decentralized democracy, which he saw bolstering the energy of many grass roots actors over the splendid, but narrow and short-lived achievements of "monuments" that governments can build.

Design for Autonomy: Smith, Humboldt, and Eliot

Smith and Humboldt both belong to a genre of social theorizing that takes the corruptibility of human institutions as a given—and as a major challenge of institutional design. Institutions that put no checks on the baser inclinations of humans were, in Smith's vocabulary, "absurd." And Humboldt knew that well-designed institutions could "strengthen [human] energies to a high extend, elevating the entire man, and thus effect . . . the only true good."[14] Both were steeped in a tradition of thinking about human institutions that culminated in Locke, Hume, and the American Federalists, who took a realistic view of the ambivalent motives of human agents, e.g., their short-sightedness, impulsiveness, and self-centeredness. David Hume famously spoke of a "violent propension to prefer contiguous to remote." He thought it futile to change this propensity of human nature, instead favoring institutional solutions that would "change our circumstances and situation" to slow down the decision process and force deliberation and reflection.[15] For Madison, in *Federalist 55*, a key concern of a republican constitution was to find a way to harness human virtues, while remaining aware of "a degree of depravity" that required "a certain degree of circumspection and distrust."[16]

This genre of theorizing (to which we may add Tocqueville, who knew that democracies could be corrupted into a "tyranny of the majority," and Max Weber, who was keenly aware that rational-bureaucratic organizations could degenerate into "iron cages of servitude") is today often supplanted by more one-sidedly optimistic assumptions about human organizations, in which the major challenge is efficiency and productivity, which, it is assumed, will unfailingly result from "rational" or "scientific" decision making.[17]

As heirs to this tradition of institutional thinking, Smith and Humboldt shared key assumptions about the design challenges of a university. Smith's professors, who preferred "living at their ease," were recognizably similar to the career scholar's pedestrian sloth and dogmatic slumber of which Goethe, Schiller, and Humboldt were weary. Likewise, Smith's apprehension about state or church authority controlling higher education is akin to the sentiments expressed in Humboldt's "Limits. . . ." But the two authors differed strongly in their suggestions regarding how to deal with these

tendencies. Smith's main concern was to check government dependence by means of market-based competition, and to curb professorial sloth through student choice and tuition-dependence. Humboldt's threefold unity—the unity of teaching and research; the unity of moral education and philosophically centered *Wissenschaft*; and the unity of autonomy and community—differs from Smith in that it aims to *positively* activate the scholars' love and enthusiasm for their work. From Humboldt's vantage point, the most that Smith's design could possibly accomplish was to turn slothful into industrious career scholars who would be kept on their toes largely by fear of impecunity. By contrast, Humboldt had convinced himself that under proper institutional conditions, *the scholars' love for their work* could be activated as the main spring of a university that would advance scholarship, contribute to the moral development of the nation, and educate new generations of scholars.

The American university's effective operation did not need control from the government, even in sensitive matters like appointing professors. As an independent corporation in the civil society there was never a question that the American university would decide for itself who to hire. But it also would not follow the German university in its shunning of applied research. As an institution embedded in a commercial society, any pretensions to stigmatize applied or broadly utilitarian purposes were quickly nipped in the bud. And even if these pretensions had been stronger, the land-grant legislation that gave land for the founding of universities that would make themselves useful to agriculture and the mechanical arts would have sufficed to shut them down. And finally, the American university that Eliot and his peers built was financially free of government support. As an institution embedded in a civil society whose varied actors believed in the civilizing power of learning and education, the many private American universities were able to raise significant portions of their funds from voluntary sources of support—more than any other higher education system in the world.

Notes

1 John Kenneth Galbraith, *American Capitalism: The Concept of Countervailing Power*, (Michigan: Houghton Mifflin, 1952).
2 The idea of complex autonomy could be usefully contrasted to Horst Kern's idea of controlled autonomy. Kern's essay contains an interesting typology of governance types: command university, market model, and republic of scholars (the latter most resembling the American model described here, which Kern deems too insufficiently responsive to changing social needs). Developed for the German university to gain greater degrees of self-government, Kern's idea requires a minimum of government control. Kern's model draws on his experience as president of Göttingen University. See Horst Kern, *Kontrollierte Autonomie? Erfahrungen mit der Erneuerung einer Hochschule*. www.uni-goettingen.de.2000.
3 See Heinz-Dieter Meyer, 'Institutional Design for Collective Action: Tweaking the Rules of the Game for the Common Good', *Comparative Sociology*, 11(1) (2012), 64–87, and Elinor Ostrom, *Understanding Institutional Diversity* (Princeton, NJ: Princeton University Press, 2005), 194–199.

4 Herbert Simon, 'The Business School. A Problem in Organizational Design', *Journal of Management Studies*, 4 (1967), 1–16, 16.
5 These developments are not limited to the United States. For an interpretation of the growth of private higher education as a case of institutional diversity and pluralism, see Daniel C. Levy, 'The Unanticipated Explosion: Private Higher Education's Global Surge', *Comparative Education Review*, 50 (2006), 217–240.
6 Norman Barry, 'The Tradition of Spontaneous Order', *Literature of Liberty, Institute for Humanities Arlington, VA*, V (1982), 7–58.
7 Barry describes Adam Smith's view of the limits of spontaneous order thus: "The system of natural liberty, however, can only work in the context of a form of interventionism; that of the enforcement of the strict rules of justice. Nature, while the source of unintended benefits for mankind, also accommodates those impulses which, if unregulated, turn self-love into an anti-social selfishness." Ibid. 27.
8 Robert Axelrod and Michael D. Cohen, *Harnessing Complexity. Organizational Implications of a Scientific Frontier* (New York: Basic Books, 2000), xvii.
9 Scott E. Page, *The Difference: How the Power of Diversity Creates Better Groups, Firms, Schools, and Societies* (Princeton, NJ: Princeton University Press, 2007).
10 Ibid. 173.
11 James G. March, 'Exploration and Exploitation in Organizational Learning', *Organization Science*, 2 (1991), 71–87.
12 Kumar Sah Raaj and Joseph E. Stiglitz, 'The Architecture of Economic Systems: Hierarchies and Polyarchies', *American Economic Review*, 76 (1986), 716–727; Joseph Stiglitz, 'Public Policity for a Knowledge Economy' (Department for Trade and Industry and Center for Economic Policy Research, 1999) London, January 27, http://www.worldbank.org/htmlextdr/extme/jssp012799a.htm.
13 Benjamin Pierce, 'Remarks on a National University', ed. by Henry Barnard, *The American Journal of Education*, II (1856), 89.
14 "*Aber sie [freie Verfassungen] spannen die Kräfte zu einem so hohen Grade und erheben den ganzen Menschen und wirken doch so im eigentlichsten Verstande das einzige wahre Gute*." Friedrich Schiller and Wilhelm von Humboldt, *Der Briefwechsel zwischen Friedrich Schiller und Wilhelm von Humboldt* (Berlin: Aufbau-Verlag, 1962), 53.
15 David Hume, *A Treatise of Human Nature*, ed. by Ernest Campbell Mossner (New York: Penguin Books Limited, 1985), 588.
16 Hamilton, Alexander, James Madison, and John Jay, *The Federalist Papers* (New York, N.Y: Simon and Schuster, 1964), 402.
17 One can get a sense of the difference between the older and the newer modes of design thinking by comparing, e.g., the *Federalist Papers* to Herbert Simon's 'The Design of the Artificial', in *The Sciences of the Artificial* (Boston, MA: MIT Press, 1996). For a brief critical discussion of Simon, see Heinz-Dieter Meyer, 'Institutional Design for Collective Action: Tweaking the Rules of the Game for the Common Good', *Comparative Sociology*, 11 (2012), 64–87.


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Part IV
Conclusion


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18 Self-Government as Fragile Equilibrium

The achievement of vigorous self-government is the historic design contribution of the American university. Self-government is the chief prerequisite for an institution's vitality and sustainability. It forms a firewall against the isomorphic pressures of bureaucracy and markets. Under self-government, institutional innovations can emerge from decentralized processes of institutional learning, through self-organization and trial-and-error experimentation, in which, at any given point, multiple alternatives are tried and tested. Self-government emancipates the university from the pressure of what James C. Scott called "seeing like a state"[1] and, arguably for the first time, allows it to *see like a university*.

To achieve self-government the American university continued on and innovatively extended the path pioneered by Humboldt. Humboldt's design was ingeniously built on the *integration of opposites*: teaching and research; autonomy and community; moral formation and scientific innovation. To these "three unities" the American university has added several more: the unity of self-government and executive power; of private sponsorship and public purpose; of hierarchical and heterarchical differentiation; of purity and utility (liberal learning and professional training); and of government, markets, and civil society.

The American university achieved these new levels of effective self-government by replacing traditional design elements with uniquely American ones, including the replacement of the

- –semi-autocratic rule of individual professor chair-holders with collegial rule in departments;
- –weak figurehead presidents with executive leader;
- –bureaucratic ministerial oversight with trustee-governed boards of independent corporations; and
- –exclusive reliance on compulsory funding with (at least partially) voluntary-philanthropic funding.

As a result of these innovations, the American university combines strong boundaries around the individual organization (which facilitates

maneuverability, distinctiveness, and diversity), with fluid boundaries between types of institutions. This facilitates a culture of institutionalized updrift and voluntary self-improvement and low barriers for the entry of newcomers. In the process, the university draws on and mobilizes particularistic sources of support drawing on sentimental attachments of alumni and dedicated supporters, as opposed to the mandatory and affectively neutral support from compulsory taxation.

Due to these innovations, the American university has been able to solve problems and reconcile dilemmas that have consistently puzzled policy makers elsewhere. It provides mass access without sacrificing excellence through a system of incrementally graded vertical and lateral differentiation that optimize the chances of talent matching. It harnesses the energy of voluntary and private actors without (necessarily) losing sight of the university's public purpose. It employs government power without turning the university into a bureaucratic appendix of the state. And it makes room for academic autonomy, while checking the tendency towards mandarin opportunism. It provides a congenial home for institutions of many different types (like the liberal arts college, land-grant institutions, public, private, and polytechnical institutions) and tolerates unusual hybrid combinations of research, teaching, and public service.[2] By integrating incommensurate and even opposing principles of market competition and academic honor, disinterested research and utilitarian concerns with impact, peer control here and executive control there, high standards of excellence and democratic principles of opportunity, the American university has achieved through *syncretistic assimilation* of contradictory mechanisms what has eluded other systems constructed on more elegant and parsimonious plans.

Perhaps most importantly, through these innovations the American university has been able to defend the university as a meritocratic realm in the midst of a democratic polity that prizes equality and inclusion. It has made a decidedly non-democratic sphere able to thrive in a democracy.

Institutional Learning

None of these results sprung from the blueprint of expert planners. They are, one and all, the outcome of the slow working of institutional learning, the spontaneous historical adjustment processes that seem to have followed their own, unique logic. At the start, the institutions in question exhibited many imperfections that betrayed their lofty goals and missions. In fact, they often were more aptly described by their critics than by their defenders. Only after several decades of pragmatic tinkering did an institutional form emerge that captured the best features of higher education in an institutional blueprint that proves Ticknor's foresight about the "favorable conditions" which the Humboldtian university would find in the United States prophetic.

Disproven Beliefs

In addition to its innovations at the institutional and policy level, the American university also prompts us to rethink beliefs that have been held as dogmas almost everywhere else in the world:

–that the state is the only social actor capable of preventing dependence of the university on partial, biased, interested parties; that private governance is incompatible with academic freedom;
–that applied research compromises the university's truth seeking mission;
–that, unprotected by the strong arm of church or government, universities must become victims of prestige-seeking sponsors or profit-seeking corporations;
–that proximity to market forces compromises the university's independence;
–that competition must inevitably deteriorate to a race to the bottom, and that without the planning and controlling role of government, the university could not serve society in a fair and equitable manner;
–that transitions from one type of institution to another must happen according to universal rules and principles applicable to one and all, and that no solution is acceptable that is not a wall-to-wall solution, covering all contingencies for all constituencies.

The American university has proven these verities wrong. A marvel of self-organized complexity, it proves that good design is often a hybrid and that such design results more likely from bottom-up institutional learning than from top-down plans. But it also shows that these effects obtain only when markets are tamed and the civil society is strong. Where incivility is allowed to flourish—e.g., in the form of extreme social inequality—all bets are off and the always fragile equilibrium of the university may tip.

Clearly, Ticknor was on to something when he expressed his hope to Jefferson that the type of institution he had experienced in Germany would find "congenial nourishment" in the "free and liberal soil [of] the U. States." Its freedom was, first and foremost, a matter of trusting voluntary associations and individuals to create, fund, and sustain institutions that, as Tocqueville had observed, were conceivable only as institutions of the state in most other parts of the world. In this way, too, a framework was found in which Adam Smith's mechanism of controlling academic quality by means of competition and choice could be properly tamed and channeled in the context of the civil society.

All this makes the American university the heir of the best European traditions of science and discovery, the place, as Walter Ruegg writes ". . . where the European traditions of scientific and scholarly research and of the academic ethic are pursued with more enthusiasm, seriousness, commitment, and effectiveness than they are in Europe. . . ."[3]

Approaching a Tipping Point?

But success is not a birthright of the American university. While this book details the innovations that have contributed to its singular achievements, there are ominous indications that the balance of forces on which the university's continued effectiveness depends may come unhinged. Just as the American university did not fully shed its oligarchic origins until the GI Bill made the institution accessible for the broader reaches of the American middle and working classes after the second World War; just as it did not outgrow its role in the reproduction of what used to be called "WASP privilege" until long-excluded minorities like African Americans, Jews, and Asians were finally given access; and just as faculty voice remained weak until shared governance was finally agreed on in the 1960s, today, the American university's continued viability depends on its ability to meet new conditions and challenges by means of continued institutional evolution. This is particularly evident in a climate of historically unprecedented social inequality,[4] which, if unchecked, may yet erode past achievements and bring the university to resemble the oligarchic institution of Thorstein Veblen's description.[5] Contemporary observers like Jonathan Cole point to the university's fragility as a result of increased inequality, political censure (and self-censure), and the curtailing of the kinds of political liberties that are essential for a flourishing research community.[6]

A particularly egregious problem in this regard is the endowment-inequality that has seeped into American higher education institutions, which threatens to break up the system of incremental vertical and horizontal differentiation discussed in Part III and turn American higher education into the kind of elite-mass system that has hobbled the education of talent and innovation in so many other countries. One indication for this is the fact that fewer than 1% of American universities now combine as much wealth as the bottom 90%.[7] This is a skewed distribution that makes even greatly sympathetic observers of the American system worried that many excellent but not super-rich universities will no longer be able to compete. Jonathan Cole points out that in *one* year (2006) Harvard University *added* some $7 billion to its permanent endowment—an amount equal to the *entire* endowment of universities like Columbia or Michigan.[8] This at a time when the higher education dream for many is increasingly turning into a financial nightmare.

Under conditions of such stark inequality, many of the mechanisms that are important for maintaining the institution's balance can tip:[9]

– virtuous feedback circles of the "academic procession" type (whereby lesser institutions emulate more prestigious ones and thereby keep the whole system moving in a pattern of dynamic self-improvement) can turn into vicious ones of the "positional competition" type, where minute differences in performance give rise to vast differences

in visibility, exposure, and reward—a pattern aptly described by Robert Frank as a "winner-take-all" contest;[10]

–reciprocal selectivity (students choosing colleges and colleges choosing students) can turn into student consumerism on the one hand and unfair barriers to access on the other;[11]

–alumn loyalty that keeps institutions anchored in affective attachments of friends and alums can turn into oligarchic patronage, where super-rich institutions produce super-rich alums whose super-sized-gifts accelerate their run-away endowment growths. As a result, a small number of leading institutions can become drivers of a ruinous competition by setting standards and expectations that are increasingly out of reach of the less wealthy. This includes many small institutions that have played a critical role in providing access to higher education to a diverse distribution of talent;[12]

–university executives, in efforts to build effective staffs for strong leadership, can end up stimulating the unchecked growth of administrative overhead of the university, creating what Benjamin Ginsberg has described as the "all-administrative-university" in which shared governance is replaced by executive fiat;[13]

–universities that are wholesomely "engaged with the world" through professional schools and applied research centers can tip into being "overwhelmed by the world," resulting in wholly career- and market-oriented institutions, in which business schools or biotech institutes are far more central to the institution's overall culture than the liberal arts and humanities;[14]

–faculty autonomy needed to harness the best fruits of intellectual creativity can turn into faculty mandarinism, where extraordinary freedom is no longer repaid by extraordinary outcomes;[15] and

–boards of trustees traditionally recruited from outstanding members of the civil society can tip as trustees are increasingly recruited form leading circles of corporate and financial executives.[16]

Regulating the In Perpetuity Endowment

At this historic juncture, a particularly important frontier of the American university's continued evolution may be the regulation of the in perpetuity endowment, whose unrestrained growth is exacerbating the gap between "the best and the rest," a handful of institutions at the top while the vast majority of institutions are unable to keep up. The top institutions' run-away endowment growth is buoyed by an institution that has historically played a progressive role: the tax-free in perpetuity endowment. Calls to subject the unrestricted endowment (which was granted its tax exempt status because it was considered an institution for the public good)[17] to the rigors of taxation (or other forms of regulation) to which all other foundations are subjected are getting louder and receiving more favorable attention.[18]

The key here is that the American university is once again called to preserve its independence and extend its promise of public benefit by means of institutional learning. The unregulated in perpetuity endowment that has been essential to making the university financially and institutionally independent of government is now on the verge of becoming an institution whose unrestrained operation could transform the American university into the kind of elite-mass system that hobbles the flourishing of talent and innovation in so many other parts of the world.

Who Governs: Community of Scholars or Community of Managers?

To repeat: the achievement of self-government is the main design contribution of the American university. But this achievement is threatened from yet another direction, the confusion of self-government with managerial control. Today, the *zeitgeist* increasingly confuses self-government with the very different activity of *control by managers*. For the manager, all organizations look alike; all practices are interchangeable. The manager's gaze orders organizations according to the mandate of efficiency. Management is a muscular affair that maintains the fiction of "unity of command"—a guy at the top with whom the buck stops and time ends. Self-government, by contrast, is inherently communal and continuous. It is also inefficient (when viewed from a managerial point of view), forever muddling through, self-correcting, and learning. But this "inefficiency" is not only adequate for an institution dedicated to the pursuit of the unknown. It is also the price of freedom—the freedom to run one's affairs in accord with the implied standards of the particular practice that this community pursues and cultivates. Here things stop being interchangeable. Teaching, research, and the diffusion of knowledge are different from making cars or tending to the sick. Each of these practices requires their own signature form of governance if we want to ensure that the governance serves the practice rather than the other way round.

The design shifts wrought by the American university discussed in the preceding chapters all conspire to place the university's government in the hands of the community of scholars, not managers. Instead of autocratic chairholders—departments. Instead of weak figurehead presidents—executives. Instead of government ministers—boards of trustees. Instead of (or in addition to) mandatory tax-based funding that is affectively neutral—voluntary support fueled by affective attachments to this particular institution or this particular branch of knowledge. Instead of externally defined classifications of institutions (research/teaching/advanced/not advanced/liberal/technical/etc.)—a continuously shifting pattern of overlapping emphases. Instead of politically imposed "parity" of academic and non-academic stakeholders (as in the German tripartite system of governance called *Drittelparitaet*)—shared governance. And instead of the state—civil society.

This kind of order is inherently messier than any order flowing from an externally imposed general principle (whether the imposer is a government, a church, a corporation, or an autocrat with money). But it has the advantage of being alive to the unique needs and traditions of the community whose practice it organizes. I use "practice" here in the (Aristotelian) sense revived by Alasdair MacIntyre, as a complex form of "human activity through which goods internal to that form of activity are realized in the course of trying to achieve those standards of excellence which are appropriate to [it]. . . ."[19] The "internal goods" cultivated by a practice are constituted by tradition and maintained through continued conversation. They are different from external goods like money, power, or prestige and all but unintelligible from a managerial point of view. Where the practitioner intuits a chance to push the edge of understanding (his own or his students'), the manager sees time spent unaccountably. Where the teacher follows the logic of *this* conversation in *this* moment, the manager laments the absence of standardized learning objectives and measurements.

The reason the university must be governed by the community of scholars is because it constitutes its own "sphere of justice" (to use Michael Walzer's term)[20]—a social domain in which the standards for a practice (like the practice of scholarship) can only be identified, recognized, and judged by skilled participants of the practice.[21] Where managers wield their wands of abstractions and "thin simplifications" that bring "into sharp focus certain limited aspects of an otherwise far more complex and unwieldy reality,"[22] the judgment and practical knowledge of communities of practice tolerate ambiguity and resist sharp categorization and schematization. Replacing communities of practice by managers, and implied standards by explicit measures, is a case of the *misrecognition* of practical knowledge (a large portion of which is always implicit) as explicit or technical knowledge.[23] It is also a violation of Aristotle's injunction "to look for precision in each class of things just so far as the nature of the subject admits."[24]

Only in a self-governed system of universities can the community of scholars maintain the kind of integrity which can insure its ultimate coherence and unity across the differences of discipline and institution. Humboldt tried to achieve this unity through an overarching synthesis of *Wissenschaft*—a science conducted in the spirit of philosophy. Today, many believe that this option is no longer available, its viability undermined by the proliferation of the disciplines and the premium on specialization. Both Max Weber and Jürgen Habermas have pointed to the improbability of Humboldt's vision under conditions of modern science.[25] But the experience of the American university suggests that that unity may be possible after all, not in the unlikely form of a shared doctrine of *Wissenschaft* but as the *unity of a tradition of practice*, maintained through a conversation that is open to all of its skilled participants.[26]

In particular, this conversation must not be confused with a competition, a race, or a hierarchy. As the wise Michael Oakeshott put it more than half a

century ago: "The pursuit of learning is not a race in which the competitors jockey for the best place, it is not even an argument or a symposium; it is a conversation."[27] And: "voices which speak in conversation do not compose a hierarchy."[28]

Today, the importance of maintaining the university's self-government in a state of vigor and continued self-renewal could not be more obvious, nor more urgent. In many countries we observe that, as the scholars retreat and the university's self-government weakens, the managerialists move in. The British "Research Assessment Exercise," the German "Excellence Initiative," and similar reforms the world over are conceived in the spirit of managerialism. So are the benchmarking exercises issuing in league tables that managerialist policy makers can use to browbeat their country's community of scholars into submission to ever more arcane requirements of "accountability." They presume the existence of easily legible "world class" models of higher education that can be readily transported across the globe according to a menu of thin simplifications, indifferent to local context and tradition. They are placing managers in one country after another in the drivers' seat of reform, eager to transform the university into a gleaming crystal palace of accountability and efficiency. The slow process of institutional learning driven by scholars, the kind that has produced the American university, is replaced by the fast track of expert policy, the only guaranteed result of which is the further proliferation of managers.[29]

From the "Three Unities" to the "Three Separations"?

What is at stake in the contemporary struggle threatening the university's self-government is a massive institutional unlearning in which Humboldt's "three unities" (of teaching and research, general moral education and discovery, and autonomy and community) could give way to the "three separations:"

- –The unity of teaching and research would be replaced by the separation of teaching and research, whereby a small group of elite institutions continues to conduct research while the majority of higher education institutions, attended by the majority of students, "specialize" in teaching. This has been suggested in Clayton Christensen's "disruptive innovation" proposals that have received wide attention and support;[30]
- –the unity of moral education and discovery would be replaced by the separation of moral education from research and discovery, as philosophy and the humanities (the areas of study traditionally facilitative of self-reflection and the building of civic virtue) become increasingly marginal to the college experience of the majority of undergraduates. Chicago University professor Martha Nussbaum believes that we are already approaching such a state.[31] And Harry Lewis, former dean of Harvard College, points out that "Harvard

and our other great universities lost sight of the essential purpose of undergraduate education." Colleges, he says, have forgotten to help students "learn who they are, to search for a larger purpose for their lives, and to leave college as better human beings;"[32]

–and the unity of autonomy and community ("*Einsamkeit und Freiheit*") would be replaced by the separation of autonomy and community as faculty at most institutions are either pushed out or voluntarily withdraw from what they perceive as the increasingly bothersome and futile effort of self-government.[33]

As the three unities give way to the three separations, the result would be a type of *institutional unlearning* whereby the crucial advances that Humboldt's design represents over Smith's market-based approach would be rolled back and the university would be reduced to a place where professors are kept on their toes not by stimulating the *emulation* of excellence and the *love* for discovery and learning but through *fear*—the fear of losing students, money, and career. The university would become a place where privileged students turbo-charge careers that lead them into the top echelons of business and power (70% of Harvard undergraduates submit their resumes to Wall Street and 50% actually take jobs there[34]), while most everyone else pursues higher vocational objectives and only the best endowed universities can retain their distance from the pushes and pulls of patent-hungry market players and accountability-hungry governments.

In pointing out these possibilities I don't mean to join those who already see the American university "in ruins" simply because it engages with the world, seeks entrepreneurial ways to expand its funding base, or allows (as it has) the talk of "academic excellence" to become the vulgar rationale for a counterproductive obsession with rank and ratings. As LaCapra pointed out, the American university "was born in ruins," and assessing current developments against a naïvely constructed gold standard from an unreal past is futile.[35]

But even conceding the system's inherent messiness and impurity should not bar us from noticing that there are, at present, disconcerting developments that have the potential to drive to a tipping point an institution that, at its best, can be a public spirited aristocracy, a high-wire compromise between excellence and access, innovation and tradition, but that may also break apart into a system offering oligarchic privileges to an elite and bureaucratized mediocrity for the masses. The fact that American higher education has, for much of its history, coped with corrosive tendencies, and for the most part done so successfully, is encouraging but no guarantee that this will always be so.

Notes

1 James C. Scott, *Seeing like a State: How Certain Schemes to Improve the Human Condition Have Failed* (New Haven, CT: Yale University Press, 1999).

2 See also Craig Calhoun, 'The Specificity of American Higher Education', in *Comparative Perspectives on Universities*, ed. by Ragnvald Kalleberg, Fredrik Engelstad, Grete Brochmann, Arnlaug Leira, and Lars Mjøset (Comparative Social Research, Volume 19), (Emerald Group Publishing Limited, 2000), 47–81.
3 Walter Ruegg, 'The University as a European Institution', in *A History of the University in Europe: Volume 1, Universities in the Middle Ages*, ed. by Hilde de Ridder-Symoens (Cambridge, UK: Cambridge University Press, 1991), xx.
4 Increasingly, social scientists and commentators are worried that heightened inequality is changing democratically organized societies into something closer to oligarchies. See Sighard Neckel, 'Refeudalisierung'—Systematik Und Aktualitaet Eines Begriffs Der Habermas'schen Gesellschaftsanalyse', *Leviathan*, 41 (2013), 39–56; Paul Krugman, 'Rule by Rentiers', *New York Times* (New York, NY, June 9, 2011)
5 Thorstein Veblen, 'Higher Learning in America', in *The Portable Veblen* (New York, NY: Viking, 1918), 507–538.
6 Jonathan R. Cole, *The Great American University: Its Rise to Preeminence Its Indispensable National Role Why It Must Be Protected* (New York, NY: Public Affairs, 2009), chapters 11–14.
7 Source: NACUBO (National Association of College and University Business Officers) 2013. NACUBO compiles data on the endowments of American universities. In 2013 the 944 institutions in the NACUBO list were led by 8 institutions that combined 29% of the endowment wealth, equal to the combined endowment wealth of the bottom 90% (or 754) institutions. See http://www.nacubo.org/Documents/EndowmentFiles/2013NCSEEndowmentMarket%20Values RevisedFeb142014.pdf (accessed December 3, 2015).
8 Cole, *The Great American University: Its Rise to Preeminence Its Indispensable National Role Why It Must Be Protected*, 475.
9 On the possibility of vicious circles in organizations, see Michael Masuch, 'Vicious Circles in Organizations', *Administrative Science Quarterly*, 30 (1985), 14–33.
10 Robert H. Frank, 'Higher Education: The Ultimate Winner-Take-All Market?', *Forum Futures: Exploring the Future of Higher Education*, Jossey Bass, Forum Strategies, III(3–12) (2001).
11 Heinz-Dieter Meyer, Edward P. St John, Maia Chankseliani, and Lina Uribe, eds., *Fairness in Access to Higher Education in a Global Perspective: Reconciling Excellence, Efficiency, and Justice* (Rotterdam: Springer Science & Business Media, 2013).
12 Roger G. Baldwin and Vicki L. Baker, 'The Case of the Disappearing Liberal Arts College', July 9, 2009, https://www.insidehighered.com/views/2009/07/09/baldwin
13 Benjamin Ginsberg, *The Fall of the Faculty* (New York, NY: Oxford University Press, 2011)
14 Martha Craven Nussbaum, *Not for Profit: Why Democracy Needs the Humanities* (Princeton, NJ: Princeton University Press, 2010).
15 As one example, see the intriguing study of Italian academic norms in Diego Gambetta and Gloria Origgi, *L-Worlds: The Curious Preference for Low Quality and Its Norms* (Oxford University Working Papers, 2009).
16 Sheila Slaughter, Scott L. Thomas, David R. Johnson, and Sondra N. Barringer, 'Institutional Conflict of Interest: The Role of Interlocking Directorates in the Scientific Relationships Between Universities and the Corporate Sector', *The Journal of Higher Education*, 85 (2014), 1–35.
17 American governments supported the growth of in perpetuity endowments by exempting them from taxation due to their avowed beneficial effect on the public

welfare. The 1764 Charter to College of Rhode Island (later "Brown University") stipulated that institutions of higher education "justly merited & received the attention & Encouragement of every wise and well regulated State . . ." because they are "for the general Advantage & Honor of the Government." Quoted in: John R. Thelin and Richard W. Trollinger, *Philanthropy and American Higher Education* (New York, NY: Palgrave Macmillan, 2014), 17.

18 Jordan Weissmann, 'Yale Harvard, and Stanford, Are Stockpiling Obscene Amounts of Money. Is it Time to Tax Their Endowments?' *Slate Magazine*, September 7, 2015, http://www.slate.com/articles/business/moneybox/2015/09/harvard_yale_stanford_endowments_is_it_time_to_tax_them.html

19 Alasdair MacIntyre, *After Virtue: A Study in Moral Theory* (Indiana: University of Notre Dame Press, 1984), 187.

20 Michael Walzer, *Spheres of Justice: A Defense of Pluralism and Equality* (New York: Basic Books, 2008).

21 Ibid. 188–189.

22 Scott, *Seeing Like a State*, 11.

23 I draw here on Aristotle's distinction between explicit knowledge (*episteme*), technical skill (*techne*), and practical knowledge or wisdom (*phronesis*) that I have developed more fully in 'Managerial Accountability and the Misrecognition of Educational Knowledge' ('Philosophy and Education' Conference, Azim Premji University, 2014).

24 Aristotle, *Nicomachean Ethics* (Indianapolis: Hackett Publishing Company, 1985), Book I, 1094.b24.

25 Max Weber, 'Science as Vocation', in *From Max Weber*, ed. by C. Wright Mills, trans. by Hans Heinrich Gerth (New York, NY: New York Free Press, 1946); Jürgen Habermas, 'The Idea of the University: Learning Processes', in *The New Conservatism: Cultural Criticism and the Historian's Debate*, ed. by S. W. Nicholson (Cambridge, MA: MIT Press, 2015), 100–127.

26 Gary Rolfe and Bruce Macfarlane provide intriguing pointers for the direction such a conversation might take under conditions of what he calls the "corporate university." See Gary Rolfe, *The University in Dissent: Scholarship in the Corporate University* (London and New York: Routledge, 2013) And: Bruce Macfarlane, *Intellectual Leadership in Higher Education: Renewing the Role of the University Professor* (London and New York: Routledge, 2013).

27 Quoted in Michael Oakeshott, *The Voice of Liberal Learning*, ed. by Timothy Fuller (Indianapolis: Liberty Fund, 1989), 98.

28 Michael Oakeshott, *Rationalism in Politics and Other Essays* (Indianapolis: Liberty Press, 1991), 490. Oakeshott sarcastically describes (in 1947!) today's spirit of "excellence": "What in the seventeenth century was 'L'art de penser' has now become 'Your mind and how to use it,' a plan by world-famous experts for developing a trained mind at a fraction of the usual cost." Ibid. 23.

29 For a taste of the managerialist mindset, consider this query from a Kingdom of Bahrain consultant to Francisco Ramirez, a leading Stanford higher education researcher: "I am part of a team supporting the Kingdom of Bahrain on a comprehensive education reform. . . . As I have been researching international comparative systems of higher education, I came across your name. I would be most obliged if we could spend a bit of time discussing your perspective on international systems of higher education. Specifically, I would appreciate your insights on: What major trends are occurring in education internationally, particularly related to university institutions? What are the factors that make an educational system most successful, particularly in a small, developing nation? What nations are achieving the most success in their educational reforms? From whom can Bahrain learn?" The inquirer thought that these questions could be

covered in a short phone interview. In: Francisco O. Ramirez, 'World Society and the University as Formal Organization', *Sisyphus—Journal of Education*, 1 (2013), 124–153.

30 Clayton M. Christensen and Henry J. Eyring, *The Innovative University: Changing the DNA of Higher Education from the Inside Out* (San Fransisco: Jossey Bass, 2011). See also Robert Zemsky, *Checklist for Change: Making American Higher Education a Sustainable Enterprise* (New Brunswick: Rutgers University Press, 2013). For a critical discussion of these ideas, see my review of Zemsky in Heinz-Dieter Meyer, *Checklist for Change: Making American Higher Education a Sustainable Enterprise* (New York: Teachers College Record, 2014).

31 Nussbaum, *Not for Profit*.

32 Harry Lewis, *Excellence Without a Soul: Does Liberal Education Have a Future?* (New York, NY: Public Affairs, 2007), xv. See also David Brooks, *The Road to Character* (New York, NY: Random House Publishing Group, 2015), who critiques, inter alia, the role of higher education in aiding the mainstreaming of utilitarian ethics in public life in America.

33 For a description of that trend and possibilities to reverse it, see Heinz-Dieter Meyer, 'The Crisis of Dual Governance in Higher Education and the Possibility of a New Rapprochement: Insights from Organization Theory', *TÉLESCOPE, Revue d'analyse comparée en administration publique*, 20(2) (2014), 156–169, http://www.telescope.enap.ca/Telescope/docs/Telv20_no2_Meyer.pdf.

34 Amy J. Binder, 'Why Are Harvard Grads Still Flocking to Wall Street?', *Washington Monthly* (Washington, DC, October 2014), http://www.washingtonmonthly.com/magazine/septemberoctober_2014

35 Dominick LaCapra,'The University in Ruins?', *Critical Inquiry*, 25 (1998), 32–55, 39 and 49.

Afterword
Towards "World Class" Managerialism?

Let us finally return to the "world class discourse" discussed at the start of the book. I suggested above that the kind of learning that led to the creation of the American university was a process of decentralized institutional experimentation, generating bottom-up institutional variations in trial-and-error fashion, centered in the community of scholar-practitioners (professors, scholar-leaders, and their education-minded sponsors) and issuing in that institution's vigorous self-government.

By contrast, today's world class discourse is a *managerial* discourse, centered in the community of managerial and policy making experts that inclines to erode the university's self-government. The managerial discourse is anchored in what has been called an "epistemic community" of business consultants, policy experts, and managerialists whose organizational home base is the network of global governance organizations around the OECD and World Bank and their affiliated international consulting companies that have already begun to effectively reshape public schooling around the world and are now on their way to attempt the same in higher education.[1]

The managerialist discourse weakens and ultimately negates the university's self-government, replacing it with seemingly iron-clad and presumably "evidence-based" rationalizing strategies controlled by technocratic experts.

A key role in shifting from institutional learning to the managerialist's world class discourse is played by rankings. The seductiveness of rankings (like the "Shanghai Index" published by Shanghai Jiao Tong University since 2003) can hardly be overestimated. The mind (in what Daniel Kahneman calls its fast-thinking "system 1" mode) seeks to achieve a lot of order and predictability with minimal effort.[2] Rankings serve that need like few other forms of information. Rankings transform poorly legible, onion-shaped heterarchies into easily legible, tall and steep hierarchies. In a few minutes, rankings offer the reader a survey of the world—the kind of control that Benjamin Constant knew to appeal to rulers who "want their empire to possess a unified surface over which the superb eye of power can wander without encountering any inequality which hurts or limits its view."[3] Rankings are key instruments of what David Berliner has aptly called instruments of "manufactured crises."[4] Any newly published ranking produces a majority

Table A.1 Institutional Learning versus "World Class" Discourse

	Institutional Learning	*"World Class" Discourse*
Anchoring Community	Community of Scholar-Practitioners	Community of Managers, Policy Experts, and Media Pundits
Dominant Mode of Discourse	Conversation	Competition ("Race to the Top")
Dominant Frame	Human Flourishing	Human Capital
Mode of Change	Incremental	Manufactured Crisis
Dominant Mode of Action	Institutional Learning	"Evidence-Based" Large Scale Reform
Reputation Formation	Peer Review	Ranking
Dominant Governance Model	Autonomy/Self-Government ("seeing like a university")	Heteronomy ("seeing like a state"/"seeing like a corporation")

of losers to a handful of temporary winners. But even the latter are afflicted by a kind of winner's curse, the likely prospect that they paid too high a price to achieve their winning outcome or to defend their exalted position at the top, which sooner or later has to make room for newcomers to keep the game interesting. Newly published rankings almost always trigger crises (e.g., "PISA shock").[5] A country or institution dropping a few points will send officers scrambling and often lead to major reshuffling in personnel and policies. But even gaining a few points only provides temporary respite at best, as it sends the winners into anxiously scrambling to ensure that the gains do not prove short-lived. Rankings change what is inherently a slow-moving, slow-thinking conversation (in Kahneman's sense) into a fast-moving "race" or "competition," forcing all participants into a form of "chase and hunt," which the Tao knows "crazes the mind."

In public schooling and the lower branches of education this has already assumed advanced stages. The American government has reoriented its education policy by means of a law called "Race to the Top"—pushing schools into punitive appraisals of their teachers whereby teachers' continued employment and advancement depends on how much "value" their teaching adds to the test scores of their students.[6] These reforms have all but killed the freedom and joy of teaching.[7] Teachers report that they now have to look at each student not in terms of his or her learning needs, but in terms of the students' ability to contribute to the teachers' good standing (as judged by the students' test results), which makes it in every teachers' interest to move "difficult" learners out of his or her classroom.

The "evidence base" that the reforms presumably rest on has turned out to be a euphemism for large-scale curriculum testing that only large, for-profit corporations are capable of organizing as they alone have the ability and power to produce and test curricula on the requisite scale. For the

managerialist, education is not a process lodged in a particular community to maintain and advance its culture. It is an 'industry' that needs to be held to standards of efficiency and accountability. Note that the protagonists of this study—Humboldt, Ticknor, Eliot, Gilman, and their many peers—were not managerialists but scholar-leaders with deep respect for learning. They were lucky enough to find sponsors who shared that respect, the likes of Ezra Cornell, Johns Hopkins, and the Boston patricians. Today's successors of these education-minded magnates no longer share the latter's trust in the self-governing ability of the community of scholars. As Diane Ravitch has documented, they are united by an abiding scorn for the education profession, which they see as a refuge for the lazy and incompetent.[8]

To strengthen the university as a community of scholars requires the strengthening of an ecology of institutions that surround it. It requires the strengthening of the civil society, both as a normative system emphasizing free speech and a free press, and a social system shunning stark economic inequality. It will also be an arena of institutional freedom where free voluntary associations can spring up to support and organize higher education, e.g., in the form of independent universities, as well as independent funding sources that can provide financial support to students and researchers. It also requires a regulatory environment that does not preordain what an institution is, that allows institutions of applied research to morph into areas of pure research (and vice versa), or masters' level divisions to add doctoral instruction, allowing them to freely define and redefine their distinct profiles, areas of strengths, and moral texture. The institutions that can successfully do so are likely to give strong voice to the faculty at the level of the department and the university and defend and extend the faculty voice as a key ingredient of shared governance. They will retain tenure rights and insure that executive leaders combine experience as scholars with the talent for administration and the wisdom of leadership. They will, first and foremost, insure the continuity of the three unities: that teaching and research, autonomy and community, and moral formation and scientific discovery remain synthetically integrated, not broken up into the separate specialties of distinct and non-communicating institutions. These institutions, while making crucial contributions to economic development, will conceive of education as a project of human flourishing, not human capital (which Wendy Brown has shown to be the prevailing inclination of many contemporary social policies that have the potential to "undo the demos").[9]

In her last book, Jane Jacobs, the great scholar-activist who defended the city as a livable civic space against the modernist centralizers interested in legibility and transparency, argued forcefully against similar modernizing tendencies in social life, family, and education.[10] She pointed to the loss of self-government and self-policing in the professions as a key entry point for what I call here the logic of managerialism. For the moment, the managerialists seem to remain on the ascendancy. Their project seems to accord so much better with the modernist dream of control and efficiency, data-based

evidence, and legibility as against the messy but truer ambiguity of educational lifeworlds. But looking beyond the facile comparisons of rankings and races, we can see that institutional learning, the learning that is centered in the conversation of scholars and educators, provides a storehouse of understanding that ultimately is a surer guide to institution building than the thin abstractions of rationalizers.

Notes

1 For an overview on these networks of governance in public education, see my 'The OECD as Pivot of Transnational Governance: How Accountable are the Accountants?', *Teachers College Record*, 116(9) (September 2014).
2 Daniel Kahneman, *Thinking Fast and Slow* (New York: Farrar, Straus, and Giroux, 2011).
3 Benjamin Constant, The Spirit of Conquest, 1814, cited in James C. Scott, *Seeing Like a State*. (New Haven: Yale University Press, 1998), 30.
4 David C. Berliner and Bruce J. Biddle, *The Manufactured Crisis: Myths, Fraud, and the Attack On America's Public Schools* (New York: Basic Books, 1996).
5 Heinz-Dieter Meyer, 'OECD's PISA: A Tale of Flaws and Hubris. A Commentary', *Teachers College Record* (December 2013).
6 For an analysis of the flawed bases of these reforms, see Diane Ravitch, *Reign of Error, The Hoax of the Privatization Movement and the Danger to American Public Schools* (New York: Vintage, 2014), especially chapters 5 and 11.
7 For two examples of how managerialism is changing public schools at the classroom level, see Brian Rhode, 'One Week, Many Thoughts', in *De-testing and De-grading schools. Authentic Alternatives to Accountability and Standardization*, ed. by Joe Bower and P.L. Thomas (New York: Peter Lang, 2013), 239–248; and Harry Leonardatos and Katie Zahedi, 'Accountability and "Racing to the Top" in New York State: A Report from the Front Lines', *Teachers College Record*, 116(9) (September 2014).
8 Diane Ravitch, *The Death and Life of the Great American School. How Testing and Choice are Undermining Education* (New York: Basic Books, 2011). See especially the chapter on "the Billionaires Boys' Club," 195–222.
9 Wendy Brown, *Undoing the Demos. Neoliberalism's Stealth Revolution* (New York: Zone Books, 2015).
10 Jane Jacobs, *Dark Age Ahead* (New York: Random House, 2007). See the chapter on professional self-government, 125–139.

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