Market vs. Academic Models

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In recent years much has been written on the link between distance learning and the commercialization of higher education (Berg, 2002). Particularly in the United States, this debate has been described as a conflict between open and traditional academic-market models. As various government, nonprofit, and for-profit ownership of these nontraditional universities are present worldwide, it is important to understand the market-model issues and how they influence university mission and implementation of educational programs.

Although it may seem like a recent trend in higher education, commercialization fears did not begin in the 1980s. In fact, one might argue that the commercialization fear in American higher education has its roots in early efforts to make the curriculum more practical, and in the so-called Yale Report of 1828, which was a reaction to the trend toward a more applied curriculum and instead promoted a return to a course of study based on the classics. In modern times, Veblen (1954) argued in *The Higher Learning in America* that the university president is the main channel whereby business values enter the university. His book is a critique of pragmatism and vocationalism, and a criticism of the president’s role in leading America down this path. Veblen sees the principles of business organization—the focus on control and achievement—applied increasingly to learning. The motivation is that universities seek utilitarian management to pursue endowments, and this approach works because practical knowledge is valued most in society. In contrast to this trend, Veblen argued that the two primary university purposes are scholarly inquiry and the instruction of students. In more recent times, the debate can be traced to Robert Nisbet’s 1971 book *The Degradation of the Academic Dogma*, a criticism of how government-sponsored research was affecting the university.

While much has been written recently about university-business partnerships, Bowie (1994) points out that the two cultures developed together in America. Changes in university patent policies in the 1970s helped pave the way for cooperative relationships, and universities had a clear economic incentive to establish partnerships with businesses. Bowie claims that in the 1990s, there was both financial trouble for universities and increased public scrutiny. Additionally, there was the perception that the United States had lost technological advantage on a global scale. Partnerships with businesses were seen as an opportunity to meet these challenges.

In *The Monster Under the Bed*, Davis and Botkin (1995) argue that we are seeing a transition of higher education from government control to business control (specifically in America) as a result of the changing needs of students and the role of education moving increasingly toward job preparation. On local, state, national, and international scales, the demand for higher education is pushing universities to become more productive and efficient. Consequently, public policy makers are looking increasingly toward business for answers.

While much of the focus of concern has been on the commercialization of research activities within the university, increasingly, the basic teaching-learning function is also being transformed by commercial forces. John Sperling, the founder of the University of Phoenix, sees a nontraditional graduate-student population of 880,000 as a primary reason for the development of proprietary educational models. This group is described as over 25 years old, working full-time, and seeking a professional master’s or doctoral degree. Furthermore, these students comprise an especially good market because 42% of employers put no dollar limit on tuition reimbursement (Sperling & Tucker, 1997). Sperling and Tucker argue that because American taxpayers heavily subsidize not only public but independent higher education institutions, both of these types of institutions are often subject to criticisms of poor productivity and inefficiency. They argue that for-profit, adult-centered institutions’ advantages are that they use less federal and state taxes, provide access to private capital
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