The Dismantling of Higher Education

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The First of Two Parts

"So far as the mere imparting of information is concerned, no university has had any justification for existence since the popularization of printing in the fifteenth century." — Alfred North Whitehead

Two major problems confronting higher education today are higher costs and increasing government control. Last summer the College Board reported that outlays for resident students at private four-year colleges and universities will be $6,082. In 1977, the Oakland Financial Group of Charlottesville, Virginia predicted that parents with a one-year-old child whom they plan to send to a four-year university in the 1990s would have to save $2,750 per year to finance the expected $82,830 four-year cost of the average private college and save $1,570 per year to finance the expected $47,740 cost of a state university. The estimates assume an after-tax return on savings of five percent and an annual inflation rate of six percent in college costs, which include tuition, room, board, travel, and other incidentals.

The middle class will find it difficult to pay so much for college education. Increased government assistance cannot solve the problem, because the middle class would bear the brunt of the necessary taxes.

Furthermore, government assistance threatens the independence of universities. In the state university, there has always been a tension between academic independence and government control, but federal assistance has now become ubiquitous at state and private universities alike. Because virtually all colleges would find it difficult or impossible to forego federal aid, they are forced to comply with the increasing number of regulations imposed on recipients of federal largesse.

My solution to these two problems is quite radical. The overwhelming majority of colleges presently tie together several different educational services in one package, which is offered to a limited number of students on a take-it-or-leave-it basis. I propose an "unbundled" system in which those services presently performed by universities would be rendered by many different kinds of organizations, each specializing in only one function. "Unbundling" would increase quality, drastically decrease costs, and also decrease government involvement in higher education.

In order to explain how the existing university system might be restructured, this article will discuss the educational services presently performed by centers of higher learning, the disadvantage of tying these services together, a mythical unbundled world of higher education, and some recent developments which may be the beginnings of a new age of unbundled education.

The Five Services Traditional University Systems Perform

Because of a degree's usefulness in our credential-oriented society, most students attend a university principally to earn a degree; but universities are not just degree-granting, accrediting institutions. They in fact perform for students five different and quite distinct services: impartation of information, counseling, credentialing, coercion, and club membership.

Impartation of Information. A major function performed by universities is the impartation of information. In American undergraduate education, the live lecture is the most commonly used method of transmitting information from the instructor to the students, as it has been since the inception of the university in medieval Europe. Today, seminars are infrequent, and tutorials rarer still. At live lectures the majority of the students behave more like the passive audience at a play than active participants in an academic pursuit, although occasionally genuine dialogue develops between the professor and the boldest students in a class. These lectures usually develop around a basic textbook purchased by the students. Generally, the text is neither written by the lecturer nor published by a company associated with the university. Students are

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sometimes assigned course papers which require the use of the university library, the cost of which is included in the students’ tuition. Nevertheless, non-textbook source material plays a relatively unimportant information-transfer role in undergraduate education.

Counseling. Another service is counseling. Members of the faculty, administration, and special counseling departments advise students on a wide variety of personal and academic matters, including the selection of courses, majors, and careers.

Credentialing. Credentialing services consist of grading the work of students and awarding degrees. To test the proficiency of students, the professor may give periodic written examinations or assign course papers or projects. Students ordinarily receive final grades upon the completion of each semester or quarter of study. Most universities require a minimal level of cumulative performance for continued enrollment. Students desire this credentialing function because it provides periodic feedback on performance and an achievement record that enhances employment opportunities. The credentialing process is completed for a student when the university measures his record against the requirements prescribed by the university for the awarding of a particular degree. Aside from its historical basis, the degree-awarding function is somewhat puzzling. The general public attaches great importance to the awarding of a diploma, but usually the only real services rendered by the university in this process are counting the number of passed courses, checking to see whether certain distributional requirements have been met, and calculating the student’s grade point average. As long as degrees are granted on the basis of such automatic formulae, the diploma itself adds no significant information about the student which the transcript could not already provide.

Coercion. Universities form a crucible in which the professors, the school administration, and peer-group influence all place pressure on the student to perform his or her work. Some professors use the threat of an unannounced quiz to encourage preparation for each class, while others call on students and publicly berate those who are unprepared. By imposing inflexible deadlines, the university increases the pressures which influence student behavior. Each semester, a student must ordinarily enroll in courses which are worth a minimum number of “credits.” If he fails to master the material of a course by the date of examination, the student receives a failing grade, a blemish on his record. Similarly, if he fails to finish a paper by an assigned deadline, undergraduate professors usually lower the student’s grade for the course. In

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the form of intellectual bull sessions. On a more formal level, students may join special interest clubs that sponsor activities directed at particular academic areas.

**Some Rigidities of the Bundled System**

Although universities presently tie together these five educational services, the functions vary in importance and value to different students. A student who wants just one service usually cannot purchase just that. The rigidity and inflexibility of American university education resulting from this packaging are illustrated by the following examples.

Because of time conflicts, a student may be unable to take a desired course. A student may not create his own tri-semester or penta-semester system. He is not able to take one course compressed into a short time period or ten courses simultaneously over a long period. Furthermore, there is no choice as to type of examination. If a student decided he really knew the material, he might desire a six-hour test or an intensive oral examination rather than a simple two-hour test; but even if he is willing to pay a higher fee, he is rarely offered the option of a different kind of examination.

Finally, the student is deterred from varying the information impartation techniques used to prepare for the final examination in a course. Rarely is he allowed to pay a lower tuition and just take the test. Conceivably, students could independently hire tutors, purchase transcripts of lectures at other schools, or buy specially prepared video cassettes on the subjects they were studying; but any expenditures on these items would be in addition to regular tuition. Since the student must pay an extremely high fee for classes even if he does not go to them, he is likely simply to attend classes and not bother with other possible means of information impartation.

**Higher Education Unbundled**

Perhaps the best way to convey the disadvantages of tying together education services would be to describe a hypothetical system in which higher education was restructured along functional lines. An unbundled education industry would contain both profit-oriented and nonprofit firms and institutions. Education would be divided into five subindustries: information impartation, counseling, credentialing, coercion, and clubs.

**Information Impartation Firms.** The information impartation subindustry would be profit-oriented, consisting of hired lecturers, tutoring firms, book publishers, video cassette and disc producers, and sellers and renters of books, video cassettes, video discs, and computer-assisted instruction. Book publishing would operate much as it does today, although there might be more programmed texts and increased use of mimeographing, photostating, and photo-offsetting to publish materials for narrow markets.

For example, good lectures offered at one school would be mimeographed and sold to students at more than one college.

Educational video production would combine aspects of book publishing and traditional television program production. The video tapes would be produced competitively by teams of authorities writing scripts for simulated classroom situations, educational tours or demonstrations, with actors and actresses playing the parts of professor and students. The tapes would be pre-tested on students, and every variable from the color of the instructor's tie to the number of jokes per lecture could be considered. The video tape performance could be dubbed into foreign languages for promotion overseas where most countries provide higher education to only a small fraction of their populations. Disc and cassette publishers would furnish free programmed guides to their tapes referring viewers to other tapes for further explanation of troublesome points. Cassettes and discs would be marketed worldwide in suggested course collections to students, profit-oriented and nonprofit libraries, conventional colleges, television broadcasters, cable television companies, and any other firm or organization which cared to purchase or lease them. Cable television might become an especially important disseminator of college video courses.

Independent organizations would publish advice on how best to intermix the tapes and books of different firms, and tutors would give advice on what books to read and which tapes to view. In addition to recommending educational material, tutors would also answer individual questions, which would be necessary because even the most sophisticated system of programmed video discs and tapes could not completely meet the needs of each student. The tutoring industry would be extremely diverse and decentralized. Some companies would have a large number of tutors and attempt to build up a reputation for consistent excellence. Other tutors would operate in smaller partnerships or as sole practitioners. No particular degree would be a prerequisite to entering the profession. Those tutors who were most talented would presumably command the highest hourly fee. Sophisticated systems of programmed computerized instruction and other

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unusual methods of information transfer would eventually become a part of the dynamic, competitive, and profitable impartation industry.

**Counseling Centers.** Although tutors would provide informal counseling, counseling centers would offer the services of specialists in psychiatry, clinical psychology, and careers to advise students on personal problems and on important academic decisions, such as the choice of a major.

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**Credential Agencies.** The credential agencies would have the functions of test-drafting, test-marking, degree-awarding, paper-grading, and possibly paper-assigning. Each agency would offer objective and essay examinations in a myriad of subjects. There would be two different types of tests. The first type would test general mastery of certain topics, such as calculus, economics, or English composition. The drafters and administrators of these tests would scrupulously avoid entering the impartation industry to avoid any reputation-jeopardizing appearance of impropriety.

A second type of examination would test the student’s understanding of certain designated impartation material, such as books or video-discs. With this second type of test, there would be no impropriety in an administering agency also producing and selling the material on which the examinations are based. Even if this resulted in a de facto tie-in between impartation and credentialing (of the second type), the elimination of the classroom component would drastically enlarge the market for any particular course. This larger market would attract a number of firms, which would compete vigorously in price, quality, and range of media. Competition would also insure that students would be offered a choice of impartation materials, such as books only, or an inflexible and expensive package, such as books plus video-discs.

Readers of essay-type examinations would be carefully trained by each credential agency to grade tests consistently and would be provided with manuals to guide them in the grading of each particular question. To encourage consistency, graders would be divided into different levels. Some of the tests graded by the first or lowest level readers would be randomly selected for regrading by second level graders, who in turn would have some of their tests selected randomly for a third reading by third-level graders—and so on. Each student would be allowed to select only, most firms would probably be willing to grade any paper for a fee.

A credential agency would award diplomas on the basis of its own grades and those of other firms. The management of the organization would select the other agencies whose grades it would accept; but once this decision was made, the actual degree-awarding process itself would be quite mechanical, and only a small fee would be charged for this service. Some credential agencies would be state-supported or private nonprofit organizations. Others might be private profit-oriented corporations. The profit-oriented credential agencies naturally would do their best to attract customers. Nevertheless, it is likely that the most profitable firms would be the ones with the highest reputation for reliability, integrity, and consistency. As long as an agency had a broad enough range of grades (zero to one thousand, for instance), a prospective employer would not care whether the agency was exclusive as long as its grades were consistent.

**Coercion Firms.** Credential agencies with a sufficiently large scale of operations might offer tests in certain subjects as frequently as once a month or even once a week. With freedom to take tests whenever they wished, students would have a tremendous choice of work-pace.

For some students this flexibility in examination scheduling might prove to be a curse rather than a blessing; but private enterprise should be capable of devising ingenious ways of enabling students to force themselves to work. For instance, a student might deposit a sum of cash or a promissory note with a company on the condition that the firm return portions of the funds on a weekly basis if the student did his work and performed satisfactorily on a short quiz. If he failed to do his work, he would forfeit his money. In effect, the young person would be paid a weekly salary to do school work. Less wealthy individuals
would put smaller amounts of money into escrow, while richer students would deposit larger sums; but the money in jeopardy would be equally valuable to both groups.

Students might also contract in advance for harassment if they slacked off in their studies during certain periods. The techniques used by these work-coercers would be quite similar to those employed by bill collectors. Coercive services such as these would only be purchased by those students for whom general social and economic pressures were insufficient motivators.

**Clubs and Youth Centers.** Since the credential agencies and book and video cassette publishers would sell their products and services to anyone, there would be no prestige attached to patronizing any particular tester or publisher. (There would, however, be value in obtaining high grades, and there might conceivably be some prestige in patronizing certain tutoring firms.)

It is quite possible that exclusive clubs of students would appear. Individuals would join clubs for both the prestige of being a member and the possibility of social and intellectual interaction with other persons whose interests and intelligence were similar. Although some entrepreneur might conceivably organize such clubs for profit, it seems more probable that such organizations would not be profit-oriented.

Students who felt that exclusive clubs were excessively snobbish would not be forced to join such clubs in order to meet young people. For a small fee, “peer-matching” firms could register a student’s interests and furnish him with a list of others with similar interests. Communities of young people would probably spring up in widespread parts of the world. More affluent students might in a single year visit youth centers in Rio, Berkeley, and Paris. Poorer students would roam about less but might still dwell abroad during some period of their studies.

**Advantages of the Unbundled Educational System**

Restructuring education along functional lines would have many advantages. The most obvious benefit would be the increased freedom offered the student to choose what courses to take and where and when to take them. The unbundled system would enable each student to have his own individual curriculum tailored to his special needs. Some young people might specialize early; others might sample many different disciplines even at an advanced level before making any decision to specialize. For example, with video cassettes or discs a student interested in law or medicine could take several courses in these subjects without first being forced to make an irreversible decision.

The unbundled system would free young people from the needlessly rigid curriculum requirements sometimes imposed by colleges. Employers and society at large probably have relatively flexible concepts of a liberal arts education. Most non-academics are indifferent as to whether someone they meet has had two semesters of laboratory science or one year of physical education while at college. In theory, a student is free to choose a college whose curriculum requirements match his own desires. In practice, however, high school seniors are relatively uninformed about the educational policy of the college they choose. The decision to attend a particular school is influenced by a great many factors, including cost, location, social life, parental pressure, and prestige. Once a student attends a school, it is difficult to transfer. For students enrolled in a college with inflexible curriculum requirements, moving from the traditional system to the unbundled system would be like moving from the local tyranny of a small company town to the cosmopolitan tolerance of a large city.

The flexibility of the new system would be a boon to many individuals who presently have difficulty obtaining higher education. It would be much easier for poor youths to gradually earn a college degree while simultaneously holding a job. Many older men and women who have been frustrated by their lack of college or post-graduate education also would have the opportunity to study conveniently for a degree.

An important benefit to everyone of the restructured system would be the ease of continuing education throughout life. There would be less of a dichotomy between school and the rest of one’s adulthood. Indeed, industry and government might require their employees to maintain their expertise by taking courses. If a more flexible workweek or work-year became commonplace, adults would have ample opportunity to take additional courses and get credentialing for each of them. Career changes therefore would become easier. The frustrated businessman who became interested in history could take courses to become either an amateur or professional historian. In the words of one educator:

> However sophisticated or naive the discussion of . . . [unbundling], may appear, at the heart of its advocacy lies the deep and perennial egalitarianism of the American ethos, rooted in the belief that the individual should have as much education as he needs, or wishes, to develop his potentialities. And in that ethos, the college or university degree is the tangible manifestation that learning has taken place.\(^{13}\)

The restructured system would have still other benefits, one of which would be a decrease in neurotic competition. Without rigid deadlines, education would be more relaxed than at present. Students would no longer be forced to undergo the traumatic experience of taking all their examinations in just one or two weeks. A person could take a test whenever he felt he had mastered the material, or he could decide to skip the examination if he had lost interest in a course. If he did poorly on an examination, he could study some more and take the test again a month or so later. The “open admissions” policy of credential agencies also would eliminate the oppressive rat race to

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get into colleges and graduate and professional schools. Finally, the increased emphasis on continuing education throughout life would make it less important how one performed in any particular year.

Because video courses would be produced for a world market, a myriad of courses would be offered. Traditional universities can offer variety only through a proliferation of specialized courses which generate considerable expense but little revenue.

Specialization by function would also improve the quality of education provided. Video tapes produced by teams of internationally distinguished personnel would be superior to most lectures presently available on any college campus. The well-developed tutorial system would furnish the individual instruction which is presently not offered by universities in the United States but which operates very successfully in England.

Similarly, the tutorial and credential agencies would attempt to find and train the best suited individuals with particular talents for assisting or evaluating an individual student's educational progress. Even coercion firms could do a more effective job of forcing individual students to work than the present educational system, which often allows students to procrastinate and to do most of their work at the end of the semester. A further advantage would be the variety of clubs formed, since each student could join those which suited his particular interests. Not only would the restructured system offer more individual and better educational services, but it would do so at a much lower cost per student. Almost all of the high cost of the present college system buys information impartation. It is an incredibly expensive and wasteful duplication of effort to have similar lectures delivered by professors all over the world. There are fantastic economies of scale in higher education which presently are not being realized. Once the cost of a course were spread over a sizeable portion of the student population of the world, the cost per student would be nominal. Higher education could then be made available to all those who desired it, whether they lived in a ghetto in the United States or in the rural areas of a developing Asian nation. Unbundling of higher education in the United States would aid economic development throughout the world, in poor and rich nations alike.14

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5. Many professors and university administrators might view coercion as the least important function of the university, but for many students it may be even more important than impartation of knowledge.
6. This concept should be distinguished from membership in a social fraternity or sorority. The club described here is composed of the entire student body of a university.
7. However, in some circles, it is considered in bad taste to boast about being accepted at schools which a student does not actually attend. Almost no one puts such information on his résumé.
9. The University of Southern California has a voluntary workshop designed to make its teachers more interesting. The workshop is run by an actor, director, and a comedy writer-performer, who adds jokes to lectures. Lancaster, "Ever Hear the One About the Professor and the Gag Writer?," Wall Street Journal (April 17, 1974): 1; "Heere's the Prof. . . . ." Time (Dec. 2, 1974): 92.
12. Although wealthier individuals could afford to "appeal" their grades more often, they would have no guarantee that the second grade would be higher.