

A System Without a Plan:  
Emergence of an American System of Higher Education in the Twentieth  
Century

David F. Labaree

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

June 24, 2012

This is a story about the peculiar nature of American higher education and about what made this system so successful.<sup>1</sup> Following the plotline of a Horatio Alger story, this institution moved from rags in the mid nineteenth century to riches in the late twentieth century, from parochialism and academic disrepute to global reach and broad esteem. The question I want to explore is why this happened.

In some ways it may seem strange to call the motley collection of more than 4,000 colleges and universities in the United States a system at all. System implies a plan and a form of governance that keeps the system working according to this plan, and that indeed is the formal structure of higher education systems in most countries, where a government ministry oversees the system and tinkers with it over time. But the U.S. system of higher education did not arise from a plan, and no agency governs it. It just happened. But it is nonetheless a system, which has a well-defined structure and a clear set of rules that guides the actions of the individuals and institutions within it. In this sense, it is less like a political system guided by a constitution than a solar system guided by the laws of physics. And like the latter, its history is not a deliberate construction but an evolutionary process.<sup>2</sup> The solar system also just happened, but that doesn't keep us from understanding how it came about and how it works. My job in this paper is to explain how the American system of higher education came about. I examine the forces that drove this process of development, the distinctive structure that emerged from the process, the rules that govern the structure, and the particular benefits and cost that the structure bestowed upon this peculiarly American system.

To help frame this story, let me start with a few statistics. The American university, of course, has its roots in Europe; and the European university is itself one of the great institutional success stories of all time. Clark Kerr (2001, 115) famously pointed this out with some dramatic numbers. By his calculations, "About eighty-five institutions in the Western world established by 1520 still exist in recognizable forms, with similar functions and with unbroken histories...." Included in this group are the Catholic church, British parliament, a few Swiss cantons, and 70 universities. That's right: universities make up 70 of the 85 longest-lived European institutions in the last 500 years. There must be something special about these schools that gives them such incredible durability.

American universities can't compete with their European counterparts in the longevity sweepstakes, but that have done amazingly well in the short time they've been in existence. Consider a recent effort to rank the top 500 universities in the world by the Institute of Higher Education at Shanghai Jiao Tong University (Institute of Higher Education, 2011), using criteria like academic citations and Nobel prizes. This ranking shows that 170 of the top 500 universities in the world are American; but the proportion gets progressively higher the closer you get to the top. American universities are 54 of the top 100, 36 of the top 50, 17 of the top 20, and 8 of the top 10. Now you can quibble about the criteria used in this or any other ranking system; but it's hard to deny that U.S. universities, though late arrivals on the scene, have done remarkably well.

So what accounts for the astonishing rise by American universities in the last 100 years? One explanation is the ascendancy of the U.S. to a position of economic, military, and cultural dominance in the twentieth century. Wealth and power have certainly been important factors in shaping the influence of American higher education, providing this

system with deep financial resources and a rich array of international academic talent. A second is the emergence of English as the prime international language, which has given U.S. universities an enormous advantage in reaching a world audience and drawing world class talent. A third is the two world wars of the twentieth century, which devastated European universities while at the same time funneling large amounts to war-related research money to their protected American counterparts, and the cold war, which prompted the U.S. to invest even more money in university research. All of these elements have given American universities a significant competitive advantage. In their absence, the dominance of American universities would probably never have developed.

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

### Balancing Politics and Markets

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

Stratification is the generic way liberal democracies balance politics and markets in higher education, but there are significant differences in degree. What distinguishes American universities from their European counterparts is that they are substantially more oriented toward the market. And the primary consequence of this market orientation is that the American system of higher education expresses a more extreme form of institutional stratification, with a markedly greater distance between the top and the bottom. This combination of market sensitivity and stratification make it so that American universities have a strong incentive to pursue advancement in the higher education hierarchy.

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

### The Market-Orientation of American Higher Education

The market came late in world history, but it was there at the beginning of American history. Louis Hartz (1955, 3) argued that the United States skipped the feudal stage of development by being born as a liberal society. And Martin Trow (1988, 1999, 2001) developed this insight into a powerful explanation for the early emergence and stunning vitality of American higher education. Consider some of the numbers that Trow gives. Before the Revolution, the American colonies had nine colleges while the mother country had two. By the Civil War, the U.S. total had grown to 250. “By 1910, we had nearly a thousand colleges and universities with a third of a million students – at a time when the 16 universities in France enrolled altogether about 40,000 students...”(Trow, 1988, 15).

The market environment, Trow argues, fostered a peculiar kind of organization and governance in American colleges from the very start. Unlike their European counterparts, early American colleges emerged as corporate nonprofit entities, with state charters but little or no state support. By the middle of the nineteenth century, public colleges and universities became the growth sector in American higher education, but they received only a portion of their funding from the state. By the middle of the nineteenth century, states had founded a number of colleges and universities, which quickly became the growth sector in American higher education; but these formally public institutions received only a portion of their funding from government. Overall state appropriations at all institutions of higher education fluctuated around 20 to 30 percent of total revenue during the twentieth century (NCES, 1993, fig. 20). The share of public university budgets coming from state appropriations grew to a peak in the mid twentieth century and then has declined steadily to the present. By the end of the twentieth century, public institutions of higher education received about 36 percent of their funds from state appropriations, with another 11 percent and 4 percent from federal and local governments (NCES, 2002, fig. 18).

Now at the start of the 21<sup>st</sup> century, leading public research universities often receive less than 10 percent from this source. The rest comes from donations, endowment, research grants, patents, and, most important, tuition. Most of these sources of revenue are independent of state control (research grants are the major exception), and pursuing them calls for a form of organization that allows, even mandates, institutions of higher education to operate like entrepreneurs in the educational marketplace. To survive

and prosper, a college or university needs to be adept at attracting the tuition dollars of students and their donations after graduation. In the 18<sup>th</sup> and nineteenth centuries, the primary source of market-based revenue was students, and this has continued to be the case in recent years, even after other forms of income have grown substantially.

A distinctive trait of American universities is their dependence on tuition. This dependence is greater for private institutions, which lack base funding from the state, but public universities also depend on tuition because of their need to supplement inadequate state subsidies and provide funds that can be spent without being subject to state guidelines. In the early to mid twentieth century, a few states (most notably California) offered free tuition, but this experiment disappeared in the latter part of the century, as taxpayer revolts and competing fiscal demands left state appropriations lagging behind the growth in expenses. Over the course of the twentieth century, tuition fluctuated around 20 to 25 percent of total revenues for all institutions of higher education; and by the end of the century, tuition accounted for about 28 percent of revenues at private schools and 19 percent at public schools (NCES, 1993, fig. 20; NCES, 2002, fig. 18 and 19).

Tuition dependence means that American colleges have always had to be nimble actors in a competitive market environment. They have to attract and retain students, position themselves in relation to competitors, adapt to changes in consumer demand and social conditions, lure contributions, and creatively pursue other forms of outside revenue. This calls for distinctive forms of governance, organization, and curriculum.

At the heart of the American model of university governance is an independent board of trustees, dominated not by government officials or academics but laypersons. This board serves as a buffer between university and state, a counterweight to the influence of the faculty, and a conduit to the real world of practical pursuits in a market society. The board appoints the president, who, in the American system, is a remarkably strong figure posed against a relatively weak faculty.

A strong president, backed by a lay board, serves as the CEO of a market-oriented educational enterprise, and the structure of the institution follows suit. This means that the American system of higher education is unusually independent of the state and unusually dependent on the consumer. It also means that the system is extraordinarily stratified. Let's look at the way the stratified structure of the system developed over time.

### The Result: A Highly Stratified System

A market-oriented system of higher education has a special dynamic that leads to a high degree of stratification. Each educational enterprise competes with the others to establish a position in the market that will allow it to draw students, generate a comfortable surplus, and maintain this situation over time. The problem is that, given the lack of effective state limits on the establishment and expansion of colleges, these schools find themselves in a buyer's market. Individual buyers may want one kind of program over another, which gives colleges an incentive to differentiate the market horizontally to accommodate these demands. At the same time, however, buyers want a college diploma that will help them get ahead socially. This means that consumers don't just want a college education that is different, they want one that is better: better at providing access

to good jobs. In response to this consumer demand, the U.S. has developed a multi-tiered hierarchy of higher education, ranging from open-access institutions at the bottom to highly exclusive institutions at the top, with each of the upper tier institutions offering graduates a degree that provides invidious distinction over graduates from schools in the lower tiers.

This stratified structure of higher education arose in a dynamic market system, in which the institutional actors had to operate according to four basic rules. Rule One: Age trumps youth. It's no accident that the oldest American colleges are overrepresented in the top tier. Of the top 20 U.S. universities (U.S. News, 2012), 19 were founded before 1900 and 7 before 1776, even though more than half of all American universities were founded in the twentieth century. Before competitors had entered the field, the oldest schools had already established a pattern of training the country's leaders, locked up access to the wealthiest families, accumulated substantial endowments, and hired the most capable faculty.

Rule Two: The strongest rewards go to those at the top of the system. This means that every college below the top has a strong incentive to move up the ladder, and that top colleges have a strong incentive to preserve their advantage. Even though it is very difficult for lower level schools to move up, this doesn't keep them from trying. Despite long odds, the possible payoff is big enough that everyone stays focused on the tier above. A few major success stories allow institutions to keep their hopes alive. University presidents lie awake at night dreaming of replicating the route to the top followed by social climbers like Berkeley, Hopkins, Chicago, and Stanford.

Rule Three: It pays to imitate your betters. As the research university emerged as the model for the top tier in American higher education in the twentieth century, it became the ideal toward which all other schools sought to move. To get ahead you needed to offer a full array of undergraduate, graduate, and professional programs, selective admissions and professors who publish, a football stadium and Gothic architecture. (David Riesman (1958) called this structure of imitation "the academic procession.") Of course, given the advantages enjoyed by the top tier, imitation has rarely produced the desired results. But it's the only game in town. Even if you don't move up in the rankings, you at least help reassure your school's various constituencies that they are associated with something that looks like and feels like a real university.

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

Think about how these rules have shaped the historical process that produced the present stratified structure of higher education. This structure has four tiers. In line with Rule One, these tiers from top to bottom emerged in roughly chronological order. The

Ivy League colleges emerged in the colonial period, followed by a series of flagship state colleges in the early and mid nineteenth century. These institutions, along with a few social climbers that emerged later, grew to become the core of the elite research universities that make up the top tier of the system. Schools in this tier are the most influential, prestigious, well-funded, exclusive, research-productive, and graduate-oriented – in the U.S. and in the world.

The second tier emerged from the land grant colleges that began appearing in the mid to late nineteenth century. They were created to fill a need not met by existing institutions, expanding access for a broader array of students and offering programs with practical application in areas like agriculture and engineering. They were often distinguished from the flagship research university by the word “state” in their title – as in University of Michigan vs. Michigan State University, University of Iowa vs. Iowa State University. But, in line with Rules Two and Three, they responded to consumer demand by quickly evolving into full service colleges and universities; and in the twentieth century they adopted the form and function of the research university, albeit in a more modest manner.

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

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

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

Second, liberal arts colleges also often act as feeder systems into graduate programs in research universities, providing an alternative to an undergraduate university education. The name “liberal” is a proud assertion of their claim to academic prestige in an educational hierarchy where academic programs rate high and vocational programs

low. Thus, although liberal arts colleges have their own hierarchy, they also claim a special place as preparatory institutions for graduate study at the top universities. In this sense they represent a high-track alternative to the low-track community college. Community colleges provide a vocationally-tinged, low-cost, and easy-access way to pick up the first two years of college and then transfer to a four-year institution; whereas liberal arts colleges provide an academic, expensive, and exclusive undergraduate education and privileged access to the best graduate schools.

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

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

But now let's turn from the educational market to look at educational politics. If one major factor that differentiates the canonical form of the university in the U.S. from the European model is the depth of its dependence on the market, another is the breadth of its base of political support. Clark Kerr (2001, 7-14) argues persuasively that the American university is actually a fusion of three models: the English undergraduate college, the German research university, and the American land-grant college. One of the things that I think helps account for the success of the American university is not just the combination of these three elements but the careful effort to keep them in balance. Each provides important strengths to the whole, while compensating for the disadvantages brought by the others.

These three models operate in several ways to shape American higher education. In one way, they represent the tiers of the system, with the lower levels focusing on mass education of undergraduates, the top tier focusing on graduate education and scholarship, and the middle tiers focusing on practical education and applied research. In another way, however, they all can be found operating within the research university.

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

Because of these considerations, American universities have become quite skillful at attracting undergraduates and keeping them happy. They foster, or at least tolerate, an active social life, provide a variety of athletic and cultural entertainments, establish a



comfortable on-campus life style, and take care not to set up a curriculum that is too constricting or standards of academic performance that are too demanding. In the American model of higher education, providing undergraduates with health clubs, food courts, and inflated grades is not too high a price to pay in order to support the larger university enterprise. Although this pragmatic stance toward undergraduates is a potential source of academic weakness, it is a key element of the American university's characteristic institutional strength.

The research university is the elite element. It focuses on establishing academic credibility for the institution at the highest level. This means hiring professors who are the most productive researchers and most esteemed scholars, attracting the most skilled graduate students, and developing the most sophisticated research facilities. All these are essential in order to provide a solid academic grounding for the university's reputation, and they are the factors that play most heavily in confirming the university's position in ranking systems. They are all that keeps many universities from being known primarily as good party schools.<sup>3</sup>

But these things are also enormously expensive. Research grants and patents help to allay much of the cost; but these sources are not sufficient in themselves to compensate for high salaries, low teaching loads, and high graduate-student support costs; and they tend to fluctuate unnervingly over time. A steady stream of income from tuition-paying undergraduates helps fill the gaps and smooth the fluctuations. Another problem is that the graduate research element of the university is potentially off-putting to the broader political base. If it were not for the institution's populist aura, arising largely from undergraduates and sports, the elitist graduate university would be lacking the kind of broad public support that it has tended to enjoy in the U.S., making it our university rather than theirs.

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

Back-Story: Roots in the European University

So far I have been focusing almost exclusively on the American university. Now I would like to provide the back-story for this institution by exploring several elements in the history of its European predecessors. My aim is to make comparisons that might give a better picture of the workings of the American model.

The first universities in Europe emerged in the medieval period under circumstances that were unusually favorable for their ability to survive and thrive. As we have already seen, 70 of them are still in existence, so they must have been doing something right. Much of their early success derived from their ability to position themselves adroitly within the bipolar medieval world. (For this account I am drawing on Olaf Pedersen's (2007) *The First Universities*, a rich synthesis of the historical literature on the medieval origins of these institutions.) There were two largely equal centers of power, wealth, and public legitimacy in medieval life – the Catholic church and the monarchical state. The university emerged in the space between these two, an interstitial institution rather than one beholden to one or the other. It used the church to protect it from the state, drawing on clerical immunities to keep civil authority from intruding on university life. It used the king and local lord to protect it from the church, drawing on state decrees and royal grants to preserve its independence from pope and bishop. At the same time, it used central authority in both church and state to protect it from local authority in each domain, asking king to limit lord and pope to limit bishop. And it exercised its own corporate powers as a medieval guild of teachers to keep both church and state at bay, through the use of the boycott (refusing to accept candidates into the guild) and the strike (refusing to teach). Poised between centers of power, able to play one against the other, the university managed to develop its own institutional structure and traditions with remarkably little interference. Thus allowed to get a good running start, the university had become largely unstoppable and indispensable by the time of the emergence of the modern nation state.

Another book picks up the story at that transition point: William Clark's *Academic Charisma and the Origins of the Research University* (2006). Clark looks at the historical development of the university in Germany from the medieval to the modern period, grounding his analysis in Max Weber's three forms of authority: traditional, rational, and charismatic (Weber, 1978, 215-216). He argues that the medieval university in Germany was grounded in traditional authority, with its roots in the guild of master teachers, who by tradition set the terms for admission, the curriculum, and the grounds for graduation. In the early modern period, the institution went through a process of transition that exposed it to the rational-legal demands of the emerging state, making it increasingly subordinate to the state bureaucracy, which fostered a rationalized university structure that was responsive to the state's economic and political needs. Much of the story he tells is about the ways in which state control gradually intruded on the traditional form of the university (described by Durkheim) and transformed professors, curriculum, students, and degrees into extensions of the utilitarian purposes of the modern state. But he also points out that charismatic authority made a reappearance in the university in the modern era in conjunction with rational authority, as the modern university came to emphasize the primacy of the author and the importance of fame in supporting the ideal of the university as a research institution.

Autonomy from Offsetting Sources of External Power:

## Market and State

Grounded in insights from these two works, I want to make two comparative points that may throw some useful light on the situation of the American university. First, the medieval university enjoyed a remarkable degree of autonomy because of its ability to operate in the space between church and state. In the U.S., as I have shown, there was also a counter to the state; however, it was not the church but the market. Higher education there had the good fortune to arise in a setting where the market was strong, the state was weak, and the church was divided. Under these circumstances, neither church nor state could establish dominion over this emerging institution, and the market gave it the ability to operate on its own.

The market provided a powerful and effective counterforce to the state in shaping the American university – playing the same role that the church did during the founding of the university in medieval Europe. In the U.S., the market has continued to serve as a powerful offset to state control. But European universities lost much of their autonomy in the early modern and modern period, as the authority of the church declined and they became increasingly subordinate to a state whose rational-legal authority grew beyond challenge. This has helped them survive, but it has limited their ability to thrive. They have been financially secure under the sponsorship of the state, which has saved them from the need to scabble for funds in the unseemly manner of American university tuition setters, grant getters, and donation seekers. They also have had considerable legitimacy because of the patronage of the government.<sup>4</sup>

But this security has come at a severe cost. Limited to state funds, they have starved in comparison to the lavish finances of American universities, which can draw on multiple sources of revenue as buffers against the dips in income arising from fluctuations in state budget priorities. And they have had to follow the direction set by the ministry. This is in striking contrast to American universities, where modest state appropriations limit state intrusion into university affairs. The result is that to a great degree American schools are left to follow the entrepreneurial instincts of faculty, administrators, and trustees, adapting to the demands of the market. They adjust quickly both to demands from students seeking particular degrees and social opportunities and to demands from industrial, political, and military customers seeking to capitalize on university research.

### Autonomy from Offsetting Forms of Internal Authority: Traditional, Rational, Charismatic

The second comparative point is this: Clark may be overstating the extent of the transformation of the university from traditional to rational authority. My argument is that all three elements – traditional, rational, and charismatic authority – are alive and well in the modern university, especially in the modern American university. A key component to the success and stability of the latter institution, I suggest, is its ability to capitalize on all three and keep them in productive balance. These elements reinforce each other in interesting ways, and they also provide countervailing sources of authority within the institution, thus preventing a single conception of the university or a single actor from winning out over others. This mixed model of governance brings another

source of balance into the life of the university, akin to the role the market plays in offsetting the state.

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

These structures of rational administration in the university, however, are laid over an irreducible element of traditional authority found in the guild-like mode of governance carried over from its medieval origins. We still honor the traditional rituals of collegial decision-making in admitting faculty to the guild, deciding on promotion and tenure, approving curriculum, and preserving the artisanal autonomy of the classroom. We still induct students into guild apprenticeship, socialize them in arcane subjects, and grant them medieval degrees that were originally designed to measure degrees of acceptance into the guild of teachers. We put on the mason's mortarboard and clergyman's gown and engage in medieval processions for our graduation ceremonies.

These elements are common across universities in the modern era. But U.S. universities promote and preserve traditional authority in particularly exaggerated ways. Perhaps because these traditions in the new world are so obviously not home grown, they have become a mantle of medieval imagery assumed for the very modern reason of good marketing. In the late nineteenth century, the American college and university suddenly developed a passion for gothic architecture, medieval quadrangles, and invented traditions like football, homecoming, and singing the alma mater. Tradition sells in higher education, perhaps particularly so in a setting where the transplant was recent and the roots shallow.

And then there is charisma. Some of the most engaging parts of Clark's book are focused on the reinvigoration of charisma in the modern university. Charisma is often seen as an unstable and primitive form of authority that is peculiarly person-centered (a pagan chief or an old testament prophet), in contrast with the solidity of tradition and the functional durability of bureaucracy. But charisma turns out to be a critically important element in the research university. Consider Weber's short-hand definition of charismatic authority: "resting on devotion to the exceptional sanctity, heroism or exemplary character of an individual person, and of the normative patterns or order revealed or ordained by him..." (Weber, 1978, 215). This sounds a lot like the archetype of the modern university professor, which David Lodge (1979, 1995) and Malcolm Bradbury (1985, 2000) have so brilliantly depicted in their academic satires.

As Clark shows, the research university has elevated the ideal of the individual scholar. This charismatic ideal is consecrated in the organization of library catalogues and academic citations by author's name, and it is reinforced by the academic salience of

fame (through the medium of awards, endowed chairs, peer referee systems, and citation indexes). It is found in the honored position of individual genius in the academic value system and embodied in the persona of the research professor. Weber considered modernity relentless and inevitable, as the forces of rationalization (that is, the rise of rational authority over the traditional and charismatic) led to the progressive disenchantment of the world. Interestingly, however, the university is one modern organization that has managed to retain and even institutionalize some of this enchantment, by molding itself in part on medieval tradition and scholarly charisma.

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

I am arguing, therefore, that all modern universities present a mix of these three kinds of authority, but that American universities promote each of them with greater vigor than their competitors overseas. As a result, each of these elements is more visible in the U.S., and the contradictions they pose for these institutions are more apparent. In addition, the American model demonstrates the value of maintaining a dynamic balance among these conflicting visions of what a university is and how it should be run. The American research university thus has its own peculiar trinity of authorities: the father of tradition, the son of reason, and the holy ghost of charisma, with the last serving, as Clark puts it, as the ghost in the machine of the research university.<sup>5</sup>

Note how institutional stability and adaptability are both enhanced by this mix of authority types in the university – the ancient and the trendy, hoary tradition and current consumer preferences, rationalized procedure and personal expression. The balance of authority types within the American university serves many of the same functions as the balance between the market and the state and the balance among the populist, the elite, and the practical. In combination they all help to keep this institution from becoming too clearly defined to be flexible, from becoming too focused on one set of goals to be adaptable, and from becoming too much under the thumb of a single constituency to take advantage of the latest opportunity.<sup>6</sup>

### Concluding Thoughts

So what can we learn from this understanding of the American system of higher education? In this paper, I have chosen to focus on the organizational reasons for the success of American higher education, where success is narrowly defined as its ability to attain a dominant position internationally in institutional rankings, financial and human resources, and academic drawing power. In particular, I have looked at the peculiar balancing of tensions within the organization of the American system that allowed it to take advantage of the situation it faced in the mid twentieth century, with growing American wealth and power. As we have seen, this mixed model of higher education has its benefits. Compared to the state model, it provides a broader base of political and economic support, more autonomy from state control, and more possibilities for pursuing

new forms of knowledge and new social roles. It allows the system to expand access and increase scholarly quality at the same time, even when state support is level or falling.

Success in these terms, of course, does not come without consequences. The complexity of the American system, its emphasis on institutional autonomy, its dependence on the market, its adoption of contradictory political goals, and its governance by mixed models of organizational authority combine to produce a set of educational and social problems that I have not examined here. This structure leads to an extreme form of stratification in American higher education, which preserves social privilege at the same time that it provides social opportunity and which often puts a premium on getting ahead rather than getting an education. It allows the successes of the research university to occur at the expense of the students attending the community college and regional state university. In many ways, the top American universities are so rich and so academically distinguished largely because the institutions at the bottom are so poor and so undistinguished.

This system protects universities from overly intrusive and confining state control, but it does so by leaving them increasingly at the mercy of the consumer. They find themselves heavily dependent for survival on the whims of wealthy donors, on the fluctuating availability of research grants, and especially on a rapidly rising tide of student fees. In combination with the extreme stratification of the system, dependency on the consumer can lead to an emphasis on acquiring socially salient credentials more than gaining socially useful learning, especially at the undergraduate level. And it produces a grossly inefficient system of higher education, in which our extraordinary investment of public and private funds in the university often subsidizes private ambition more than it promotes the public good.

This has been a very successful model for a system of higher education, but it is not an easy model to imitate. As I have pointed out, the American system emerged in a setting where the state was weak and the market strong, so it developed an institutional structure well adapted to this Darwinian setting. There is simply no way to recreate these original conditions in a contemporary society that already has a strong state with firm control over the educational system.

So a system of higher education managed to develop in the United States without a plan or a guiding hand to shape its evolution. It has a well-defined structure, a set of rules, and some obvious benefits and costs. And it does not provide a model that others can easily follow.

#### References

- Bradbury, Malcolm. (2000). *To the Hermitage*. New York: Overlook Press.
- Bradbury, Malcolm. (1985). *The history man*. London: Penguin.
- Brint, Steven, & Karabel, Jerome. (1989). *The diverted dream: Community colleges and the promise of educational opportunity in America, 1900-1985*. New York: Oxford University Press.
- Cohen, Michael D., & March, James G. (1974). *Leadership and ambiguity*, 2<sup>nd</sup> ed. Boston: Harvard Business School Press.
- Clark, Burton R. (2008). *On higher education: Selected writings, 1956-2006*. Baltimore: Johns Hopkins University Press.

- Clark, Burton R. (1983). *The higher education system: Academic organization in cross-national perspective*. Berkeley: University of California Press.
- Clark, William. (2006). *Academic charisma and the origins of the research university*. Chicago: University of Chicago Press.
- Hannan, Michael T., & Freeman, John. (1989). *Organizational ecology*. Cambridge: Harvard University Press.
- Hartz, Louis. (1955). *The liberal tradition in America*. New York: Harcourt, Brace & World.
- Institute of Higher Education, Shanghai Jiao Tong University. (2011). Academic ranking of world universities – 2011. <http://www.shanghairanking.com/ARWU2011.html> (accessed 9-14-11).
- Kerr, Clark. 2001. *The Uses of the University*, 5<sup>th</sup> ed. Cambridge: Harvard University Press.
- Lodge, David. (1995). *Small world*. London: Penguin.
- Lodge, David. (1979). *Changing places*. London: Penguin.
- National Center for Education Statistics. (2002). *Digest of education statistics, 2001*. Washington, DC: U.S. Government Printing Office.
- National Center for Education Statistics. (1993). *120 years of American education: A statistical portrait*. Washington, DC: U.S. Government Printing Office.
- Pedersen, Olaf. (1997). *The first universities: *Studium generale* and the origins of university education in Europe*. Cambridge, UK: Cambridge University Press.
- Princeton Review. (2009). The best 368 college: Party schools. <http://www.princetonreview.com/schoollist.aspx?type=r&id=737&RDN=1> (accessed 5-29-09).
- Riesman, David. (1958). The academic procession. In *Constraint and variety in American education*. Garden City, NY: Doubleday.
- Times Higher Education Supplement. (2010). World university rankings 2010-11. <http://www.timeshighereducation.co.uk/world-university-rankings/2010-2011/top-200.html> (accessed 9-14-11).
- Trow, Martin. (2001). From Mass Higher Education to Universal Access: The American Advantage. In P. G. Altbach, P. J. Gumport, and D. B. Johnstone (Eds.), *In Defense of American Higher Education* (pp. 110-45). Baltimore: Johns Hopkins University Press.
- Trow, Martin. (1999). From mass higher education to universal access: The American advantage. *Minerva* 37, 303-328.
- Trow, Martin. (1988). American higher education: Past, present, and future. *Educational Researcher* 7:3 (March): 13-23.
- U.S. News and World Report. (2012). America's best colleges. [http://www.usnews.com/usnews/edu/college/rankings/brief/natudoc/tier1/t1natudoc\\_brief.php](http://www.usnews.com/usnews/edu/college/rankings/brief/natudoc/tier1/t1natudoc_brief.php) (accessed 6-13-12).
- Weber, Max. (1978). *Economy and society*. Berkeley: University of California Press.
- Webometrics Ranking of World Universities. (2011). Top 12000 Universities. <http://www.webometrics.info/top12000.asp> (accessed 9-14-11).

---

Notes

<sup>1</sup> I presented an earlier version of this paper at Monte Verità, Centro Stefano Franscini, Ascona, Switzerland: Congress on International and National Standardization of Education Systems from a Historical Perspective; September, 2011 and at the Stanford Higher Education Seminar later in the same month. Another version was translated into Chinese and published in 2010 in *Peking University Education Review* (8:3, pp. 24-39). Initially I delivered it in 2006 as the vice presidential address for Division F (history of education) at the annual meeting of the American Educational Research Association in San Francisco. I am grateful for the richly helpful comments I received from my colleagues Richard Scott, Patricia Gumpert, David Tyack, Elisabeth Hansot, Francisco Ramirez, Jon Torfi Jonason, Gero Lenhardt, Mitchell Stevens, Joshua Ober, Martin Carnoy, Michael Kirst, Daniel McFarland, and Marc Depaepe.

<sup>2</sup> The sociological theory that best captures this kind of system is organizational ecology (Hannan & Freeman, 1989), which view organizations as competing for resources and legitimacy within an ecology governed by Darwinian pressures for survival.

<sup>3</sup> Princeton Review (2009) listed 16 research universities among the top 20 party schools in the U.S. in 2008, including 6 universities that are ranked among the top 50 in the world.

<sup>4</sup> These elements help explain why public universities have far greater prestige than private universities in Europe, whereas in the U.S. private institutions tend to top the rankings.

<sup>5</sup> The American university's mixed sources of authority align with the characterization of this institution by Michael Cohen and James March (1974, p. 3) as the "prototypic organized anarchy." In their view, university presidents have to deal with unresolvable ambiguity in four major areas: purpose, power, experience, and success (p. 195).

<sup>6</sup> Burton Clark (1983) argues that a key strength of the American system of higher education is structural complexity, with radical decentralization and a federalized dispersion of power.