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Renewing Higher Education's Social Contracts: Transparency Out of Chaos

David W. Leslie

"The University of Winnemac...is not a snobbish rich-man's college, devoted to leisurely nonsense. It is the property of the people of the state, and what they want – or what they are told they want – is a mill to turn out men and women who will lead moral lives, play bridge, drive good cars, be enterprising in business, and occasionally mention books, although they are not expected to have time to read them. It is a Ford Motor Factory, and if its products rattle a little, they are beautifully standardized, with perfectly interchangeable parts... by 1950, one may expect it to have created an entirely new world-civilization, a civilization larger and brisker and purer." (Lewis, 1925, p. 11)

A contract is an agreement between two or more parties. It takes a meeting of the minds and mutual concurrence on terms before a "contract" exists in legal terms. Higher education and the society – in this case American – that supports colleges and universities have successively modified the agreements under which they have exchanged value - service for money, money for service, but both have expectations of each other. As in any contractual relationship, things work best when the negotiations and the relationship benefit from transparency. The more secrets the two sides keep from each other, the more surprises – and conflict – will jar and poison the relationship in the future. My two key points are: (a) The social contract under which higher education operates is sufficiently complex that understanding how it performs will require a broadly inferential strategy; and (b) this strategy can probably begin by making far better use of existing data than is now made.

The Social Contract in Perspective

Layer by layer, and product by product, higher education has gradually insinuated itself into the most fundamental matrix of the modern social order. It was once – and not so long ago – an exclusive agent of the elite. It kept far more people out than it let in, and it exalted and preserved the exclusive culture of America's religious, ethnic, and moneyed classes. It may well have done as much damage as good (Freedman, 2000) although there is little question that many enlightened leaders emerged from their college experiences.

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Most colleges were historically private – in finance, in ownership, and in purpose. Although a few states had created public colleges as early as the late 1700s, and although the Northwest Ordinance and Morrill Acts represented federal commitments to the diffusion of knowledge and education, higher education in any meaningful sense awaited the emergence of public demand, and that demand could only emerge after public schooling through elementary and secondary levels became widespread.

So it is only in very recent times, perhaps since the landmark "Truman" report of 1947, that anything like the predominantly public system of higher education we know in 2001 began to take shape. Notwithstanding the moral and political commitments of religious and social idealists who led the emerging institutions of the 19th century, it is difficult to imagine anything like the contemporary "social contract" in the minds of college and university educators of the centuries prior to 1947.

But just what is this "contract?" And are the parties to it keeping their respective ends of the bargain?

Higher education has taken on a wide array of sometimes conflicting missions in service to the nation. "Higher education" means everything from small, open-door, almost missionary, community colleges serving isolated rural areas to the great "multi-versities" (Kerr, 1963) like Michigan, Columbia, Johns Hopkins, and Berkeley that mix public and private funding; mix research, teaching, and service in extraordinarily complex organizational forms; and that resonate to norms of competitive excellence. Enormous, sprawling, multi-campus community colleges serve the nation's major urban conglomerations (Miami-Dade, Houston) with massive immigrant and multilingual populations, while tiny liberal arts colleges preserve much of the 19th century ideal of classical education in self-contained quasi-monastic rural isolation (Earlham, St. Olaf, Williams). Progressive experiments that test assumptions and boundaries appear among both public and private colleges (Evergreen, Deep Springs). Walls between academe, business, and government have weakened in the face of imperatives to collaborate on research and development at the frontiers of knowledge. (MIT, Harvard).

Some now think of higher education as a profit-making enterprise, a consumer good available at cost on the open market. While much of what is assumed and known about higher education is presently based on the universe of "Title IV-eligible" institutions, education beyond the secondary level is increasingly available in other types of institutions from the nationally distributed University of Phoenix aimed at a non-traditional adult population to corporate training units that provide sophisticated graduate level courses to their own employees. The parameters and nature of these post-secondary opportunities are not well known. The role of the for-profit marketplace in modifying whatever social contract may justify tax support for higher education is only just emerging, but it is consistent with the declining role of governments in a rapidly evolving global economy. (Yergin and Stanislaw, 1998)

Is the social contract something each of these profoundly dissimilar institutions negotiated separately and individually with its own constituent communities and that may only be implicit in the characteristics of their students and alumni? Is it something that we can derive from government commitments to higher education – in the language of constitutions and laws that provide frameworks for purpose, governance, and funding? Is it traceable in the agreements colleges and universities reach with donors, foundations, business

corporations, “friends,” football fans and others who finance their activities? Does it emerge from public opinion and the will of the voters who delegate the power to govern to their representatives in state and national legislative bodies? Is it observable in the enrollment patterns and behaviors of students? In the work of faculty and staff? In the flow of money from varied sources to the many and varied activities of colleges and universities? In measurable outcomes of those patterns and activities?

Perhaps it is only in the cumulative traces of all of these that a full picture of higher education’s bargain with society can be limned in all its dimensions.

There is another side, though. Historically, higher education has stood apart from society, and even today its “institutional academic freedom” to teach, to research, to decide whom to admit, and how to conduct its internal affairs enjoys a measure of legal protection (*Urofsky v. Gilmore*, 2000). In ancient times, scholars banded together to search for truth in extra-territorial communities — free from civic authority, and sometimes in contravention of the most sacred customs of the day. It has been considered *sui generis*, but increasingly occupied by a corporate society anxious to impose control over its threatening independence (Goodman, 1964). Higher education once claimed a measure of autonomy because it historically stood *in loco parentis*, a trusted substitute for parental authority, in providing an environment where young people could grow and develop, spiritually, morally, and academically. Exercising this trust, it has relied on its mandate from the church, the state, and — more often today — its expertise in psychosocial development (still parental in many ways, but no longer legally “*in loco...*”).

Of course, higher education has been called on to serve the nation. It served as an instrument of social and technological advancement as a result of the Morrill Act. It served as an instrument of the nation’s World War II effort and Cold War competition with the Soviet Union, generating basic scientific knowledge and technologically sophisticated weaponry, as well as training military personnel. It became an instrument in the quest for civil and human rights in the latter decades of the 20th century, providing opportunities for minorities and women, and expanding knowledge and awareness of the nation’s checkered human rights history. Public funding expanded geometrically as these missions were layered atop (but never fully eclipsed) the time-worn commitment of higher education to preserve the status of elites and the corpus of classical knowledge.

So the public has multiple and competing expectations of colleges and universities. Higher education holds a franchise that requires a certain measure of freedom and autonomy, but it also has accepted responsibilities that come with funding and the concomitant agreement to serve a broader set of interests than its own internal sense of freedom and self-government.

Competing Missions

Two recent studies (Leslie & Fretwell, 1996; Goldman, Gates, & Brewer, 2001) have suggested reducing the multiple missions to relatively simple, but competing, alternatives. Leslie and Fretwell suggest that teaching and serving undergraduate students is a fundamental core activity common to virtually all institutions, while other activities such as grant-supported research and entertainment-oriented auxiliaries are simply contractual agreements with private parties in which costs are recovered for the services rendered. The RAND study divides mission into “reputation-seeking” and “prestige-seeking” activities — essentially

parallel to the Leslie/Fretwell categorization. “Reputation” involves effective servicing of the educational goals of a particular population. “Prestige” involves activities intended to put the institution at some perceived competitive advantage with others.

Neither of these grapples with an entirely new question, nor in an entirely novel way. Howard Bowen’s notable “Investment in Learning” (1996) considered the conundrum posed by higher education’s dual service as a “private” and “public” good. Some of what it produces is of purely personal benefit to those who are willing to pay — and sometimes pay heavily — for it, but some of what it produces also deserves broad public investment on grounds that social capital results. Obviously, these are joint products to some unspecifiable extent (cf. Hearn and Bunton, 2001), but the mix of public and private investment is both real and measurable.

A slightly different and perhaps more generic formulation contrasts the imperatives and outcomes involved in both human and social capital formation (Cote, 2001). While “human capital” refers to the sum total of skills that individuals acquire and put to use in economic activities, “social capital” refers to the sum total of collective relations that enable trusting and cooperative activity. The two forms of capital underlie the productivity and stability (respectively) of modern, economically advanced societies. In effect, “you can’t have one without the other” and expect a social order that both produces and cares at the same time.

American society, built on successive waves of immigration, and reliant on some conscious means of bonding groups to the national consciousness as well as to each other, has relied on public education to produce both human capital and social capital — perhaps to a far greater extent than in more traditional societies. We have also — to a far greater extent than other societies — required individuals to invest their own personal funds in education. This mix of private and public funding confuses, rather than clarifies, the social contract issue. Are individuals contributing because they have a stake in the generation of social capital, in the advantage they gain by helping to create a good society? Or are they investing in their own personal human capital for the purpose of gaining competitive advantage over others? Is society investing in education as a way to avoid or reduce wasteful expenditures on policing, corrections, unnecessary health care, etc., and thus reducing the tax burdens on everyone? Or is society promoting individual social mobility as a way of reducing subjective and objective deprivation and indirectly promoting collective civic order?

Obviously, there is no easy way to disentangle these ideas. The functions are inseparable and the products are clearly “joint.” Most importantly, the social contract assumes that higher education is a player in the promotion of both human and social capital.

Inference and Transparency in Assessing the Contract

The principal problems lie not so much in identifying elements of higher education’s mission, nor even in identifying the public’s expectations. How these mutual expectations are managed and how public accountability occurs are more central. What happens? What value is delivered and through what institutions? Who benefits? Who pays? Who decides? Who assesses?

In our federal system, there is no one simple answer. Fifty states decide for themselves, and they have decided in their own ways, none clearly following templates of others. Michigan and California enshrine their public universities in their states’ constitutions, immunizing them to a considerable degree from legislative micro-management. Florida,

on the other hand, has recently seen its public university system completely reorganized at what appeared to be legislative whim. Private higher education predominates in Massachusetts, while there is essentially no competitive private higher education in New Mexico. Some states place heavy tuition burdens on their students (Vermont, for example), while others (North Carolina, for example) pride themselves on a long-standing policy of low tuition and broad access.

Inferring anything about a “social contract” clearly must be just that—an inference. Inference is a logical process of accumulating evidence, observing patterns, testing these patterns for consistency or inconsistency, continuity or discontinuity, independence or contingency, and simplicity or complexity. More and better information leads to progressively greater transparency, understanding, and mutuality in sustaining any contractual relationship. So I suggest that we begin with an assessment of what data and information are available, and how they might help understand and interpret the status of higher education’s relationship with its supporters.

Both federal and state agencies now collect a considerable amount of raw data on higher education, principally Title IV eligible higher education, but the data are not necessarily standardized from one agency to another, nor is collection coordinated in any meaningful way. On the whole, I think an inferential strategy will best stand the test of time — leading us to progressively clearer pictures of what goes on in higher education, how it is organized, and what value emerges. How best to draw these successively clearer pictures is an art and a science that has yet to be designed purposefully. I suggest the following ideas as starting points for discussion.

1. Build on (but coordinate) existing streams of data. NCES and SHEEO agencies, along with NPEC, comprise a base, but a wide variety of others, such as the College Board, the institutional associations like NASULGC, AAU, AASCU, NAICU, AACC, etc., all engage in the generation and analysis of information. RAND, Brookings, the Institute for Higher Education Policy, the new National Center for Public Policy and Higher Education, and others have produced useful analytical work in recent years. Similarly, NSF, the Census Bureau, the U.S. Labor Department, and other agencies of the federal government collect data that could be useful. NPEC is arguably the closest thing to a “coordinating” body in this confusing and overlapping array of data sources. It is still relatively new, though, and is still seeking to establish its own identity, organizational form, and role. On the whole, a strategic assessment of the current sources, characteristics, quality, and currency of data is needed.

2. Standardize periodicity. The U.S. Census is conducted every ten years. Other surveys of economic activity, social indicators, and health are conducted regularly and on established schedules. Turn-around in publishing these data is usually relatively fast, especially with the emergence of electronic data processing and Internet-based releases. Postsecondary surveys (e.g., IPEDS) go through lengthy “cleaning” processes and may be years in preparation before release. Likewise, data collected by states vary in the frequency and refinement with which they are collected, and data that are maintained by proprietary sources may not be released at all. At the very least, some efficient means of providing the public a continuous and timely picture, if only a snapshot, of higher education’s current status ought to be designed. Annual “best buy” issues of commercial surveys or “five-year plans” of state coordinating bodies are: (a) too little; and (b) too late. The NCPPHE “Report Card” is both a good example of good intentions

and a warning about the complexities and difficulties such a project might ultimately encounter.

3. Monitor trends. Higher education and the public policy commitments that have shaped the system as it exists today are the product of both incremental and revolutionary developments. The federal initiatives that have brought us mass student financial aid introduced new ideas and sources of funding (and enrollment) representing revolutionary change. States have recently implemented another revolution in financial aid, HOPE scholarships. Yet, each of these revolutionary developments has been continuously, and profoundly, reshaped by incremental changes that take place from year to year. What started out, for example, as a source of grant funding to poor students under federal law has been reshaped and reshaped into what is now essentially a system of mass loans and tax incentives that benefit middle class students. Likewise, states have progressively increased tuition at public universities and colleges at rates (in some cases dramatically) that exceed the rate of increase in state appropriations for the support of those same institutions. These fundamental changes in public policy are really only visible in retrospective analyses of trends, and those trends are only visible to the extent that continuous data collection and publication provide the dots that researchers can connect. The Grapevine project, begun over 40 years ago by M. M. Chambers and supported subsequently by Illinois State University and other funding sources, is an example of such a continuous annual data collection effort.

4. Engage in policy monitoring and evaluation. When the NCPPHE finally issued its laboriously constructed “report card,” it acknowledged that data on outcomes were almost wholly lacking. One side of this argument has it that the strength of American higher education lies in the independence of all institutions. They survive in a highly competitive marketplace for their products; so “they must be doing what the public wants.” The other side of the argument has it that colleges and universities are self-indulgent and hypocritical havens of unaccountable, unproductive radicals who not only do no real work, but poison the minds of impressionable youth. Who wins? Obviously it all depends... It all depends on who can show that colleges and universities are or are not producing something of value.

Many states, most famously Tennessee and South Carolina, have experimented with one version or another of “performance funding.” On whatever the specific terms, institutions are asked to generate and submit data on their activities and outcomes that would show (a) the extent to which particular goals have (or have not) been achieved; and (b) the degree of efficiency with which institutions have operated. While no two performance funding schemes are alike, they have at least provided incentives for institutions to begin operating “accountably.” Accrediting bodies such as SACS are now beginning to focus on a similar process. Institutions may be asked to rationalize the way they plan and evaluate their activities, instead of showing only that they operate in conventional and responsible ways.

Whether good or bad (and opinion certainly varies), these fairly recent developments suggest a widespread interest in evaluating the effectiveness and efficiency of higher education. Any prospective research effort that speaks to the “social contract” would have to account for the assumptions, methodologies, results, and impact of these efforts. It might well begin with an assessment of assessment — that is, what can be learned from the experiences of states, accrediting bodies, and institutions with this recent wave of attention to performance and accountability.

5. Complexify. In a massive and complex industry like higher education, with many “producers,” a wide array of consumers, huge variations in price and quality, plural sources of funding and control, it is probably irresponsible to strive for any kind of simple — not to say simplistic — portrait. A fundamentally inferential approach may well lead to the conclusion that multiple social contracts with multiple constituencies and clienteles require complex analyses rather than simple ones. Pat Callan’s various works show the power of case studies in understanding the extraordinarily multivariate state of things in higher education. Increasingly, the use of multiple regression and related statistical methods suggest that the answer to most questions should begin with “it all depends.” Policies and practices can both under-shoot and overshoot their intended targets. Unintended consequences emerge, often only in remote hindsight. My own studies of full- and part-time faculty using NSOPF data clearly confirm the importance of disaggregating nearly everything by (a) type of institution; and (b) teaching field or discipline.

Inputs differ. Some institutions are rich; some are poor. Processes differ. Some institutions are complex (Illinois); some are simple (Tusculum). Outcomes differ. Some institutions avow a commitment to moral outcomes (Wheaton, IL), others to intellectual outcomes (Chicago). Some exalt contemporary ideas (Santa Cruz); others venerate the past (St. John’s).

Making transparent what colleges and universities do, with what resources and technologies, with what effects or outcomes will probably lead to a progressively more complicated picture of the social contracts we try to fulfill. If we can find a way to disaggregate first and simplify second, perhaps the complexity of the picture will be easier to absorb and understand — by both researchers and the attentive publics to whom we speak.

Conclusion

It seems to me that the challenge is to organize the research community in a way that builds a strategic, continuous, cumulative, and multivariable process from which the public might be able to infer whether the terms of these social contracts are being met. A social contract is built on trust, and trust is perhaps best established through an open and honest exchange of good information. Because higher education and society are partly bound tightly to one another and because their mutual interests are also well-served when a measure of autonomy and independence allow higher education appropriate freedoms, the extent to which they can and should inform each other is necessarily fluid and negotiable.

However, “fluid and negotiable” does not mean chaotic and unaccountable. Too often, a close look at how we now collect, organize, interpret, and report data appears both chaotic and lacking in concrete meaning. I would challenge us to think strategically about how we might best organize to use our already considerable capabilities to gather data and infer. Building on the vast array of existing data, but bringing it together in more timely and sharper focus, seems to me to be the most important starting point. We’ll know more about whether the social contract is in good shape once we know more about what we do, how we do it, and whether we are producing value for the support we receive.

In the end, the freest (and, paradoxically, the most orderly) markets are essentially based on transparency. Everyone has full information about what they get for what they pay. Mutual understanding

probably ought to be the goal in sustaining any contract, private, public, or social. Until we know better what is expected of us, and until the public knows better what they are getting, and until it is clear who pays how much and what that money buys, we had best struggle seriously with transparency — conceptually, technically, and with a sense of its centrality to the public’s interest in higher education.

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