

## Corporatism and its Corruption of Democracy and Education

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**Abstract.** Education is multifaceted and is influenced by the times in which we live. The bio-politics of our contemporary times regulate individuals' lives in ways that can make it increasingly difficult to conceive of education and schooling today absent market-based assumptions or to even discuss education and schooling without the use of a market-based vocabulary. The economy is the reigning ideology, and its regulating reach extends to education and schooling. These times are ripe for entrepreneurs, who are taking advantage both locally and globally. In some respects, both education and educational reform manifest the characteristics of commodities—bought and sold, and marketed and exchanged trans-nationally. Though we feel that education can be one of the most noble of human activities, in this article we will focus on the dark underbelly of education and schooling: the commercial business side. We will show how economic ideologies, including commercial interests, market-based agendas, and, by extension, business-like ways of thinking, perceiving, and even valuing, are no longer confined to the financial aspects of schools but have come to take over and to usurp alternative views of education. In short, we will show how business and market-based, surplus-value thinking—what we term corporatism—have corrupted education, and, by extension, democracy.

**Key Words:** Corruption, democracy, education

Corporatism is more than simple privatization. Privatization entails the transfer of state or governmental responsibilities (the so-called areas of the public trust) to private, for-profit concerns. (A recent and telling example was the privatization of the US war in Iraq, wherein, and according to various estimates, nearly fifty percent of the work done in Iraq for the US government—from food services, to transportation and logistics, to construction, to soldiering and providing security at embassies, and clandestine work for the CIA—was carried out by 'private' individuals and companies subcontracted by large, multinational corporations such as Halliburton and KGR. The Blackwater killings of innocent people in Nisour Square in Baghdad, Iraq on September 16, 2007 exposed the dark side of these operations.) Out-sourcing is but one type of privatization.

Corporatism is buttressed by a worldwide intellectual shift toward what some refer to as neoliberalism (Sleeter, 2007). Harvey (2005), who defines neoliberalism as “a theory of political economic practices that proposes that human well being can best be advanced by liberating individual entrepreneurial freedoms and skills within an institutional framework characterized by strong property rights, free markets, and free trade” (p. 2), suggests that countries around the world have made a distinct turn toward neoliberalism since the 1970s. Many social scientists concur that a neo-liberal ideology, and its companion, new public management, have taken root worldwide (Dempster, Freakley & Parry, 2001; Gronn, 2003; Harvey, 2005; Sleeter, 2007). Such an ideology, while affecting the polity, is markedly apparent in the business realm and in the interfaces among business, the state, and other social institutions. This way of thinking wedds major corporations, banks and governments. It promotes, according to Sleeter, markets, free choice, entrepreneurial competition, and individual initiative to address social needs. According to Sleeter’s analysis, neoliberalism frames education as a resource for global competition and private wealth accumulation, for profit generation, and as an arena for business. Hallmarks of new public management include more stringent ‘accountability’ and increased consumerism; that is, where corporations and other institutions, including schools and universities, market ‘services’ to the consumer. In Sleeter’s analysis, competition and individualism play prominent roles in this mindset. Drawn out to their logical conclusions, these trends could easily manifest in education through, for example, in making the individual teacher or administrator solely responsible for his/her own professional development and growth (Billett, 2004).

The corporate model and its attendant corporate culture have become the most accepted, ready-to-hand model for organizing ourselves in groups. It is the dominant organizational principle in such widely differing types of groups and organizations as charities and NGOs; churches, mosques and temples; clubs and voluntary organizations; the military; and others. Corporate cultures share some characteristics with their antecedent, bureaucracy, but are still distinct in numerous ways. Though there is a great deal of variability among corporations and other organizations operating from a corporate ontology, generally corporate cultures can be characterized by: legalism; prioritizing the pursuit of profit (usually over other values or ends); insularity and an insider orientation;

being all-encompassing (/invasive); being multifaceted/conglomerate; a lack of accountability and/or transparency; and a sense of entitlement and an imperial hubris.

At its core, capitalism appropriates surplus value from exchange. Corporatism is an outgrowth of, and is parasitical upon, capitalism, though corporatism is not itself limited to business. As corporations expand their influence over the employee, they take on characteristics of what Coser (1974) termed greedy institutions/organizations. In a sense, the corporation or business has absolute dominion over the person and his/her time.

Corporatism and its intrusion into the lived world may not always be perceived as malignant. Some corporations reward some employees quite handsomely, even into retirement. One example of such corporate largesse came to light through the divorce of the former manager of GE (General Electric), Jack Welch—compensation *The Sunday Times* termed ‘imperial perks’ (Rushe, 2002). Welch’s retirement package, according to papers filed in his divorce, included: unfettered use of corporate jets (a perk valued by an expert as being worth \$291,677 a month). He also had a company-owned apartment overlooking Central Park, a limousine, a cook, free flowers, country-club memberships and a charge account at Jean George’s restaurant. He was also entitled [sic] to top tickets at the Metropolitan Opera, tennis tournaments such as Wimbledon, and for games played by the Knicks, Yankees and Boston Red Sox. The affidavit revealed that he didn’t even pay for his laundry (Rushe, para. 16).

People can use their personal sacrifices in their own professional careers to rationalize taking corporate-provided rewards. For example, Sah and Loewenstein (2010) found that physicians who were reminded of their personal sacrifices in getting their medical educations more than doubled their willingness to accept gifts from pharmaceutical companies. Most of these physicians also stated that their hardships did not justify their taking gifts—even though they had taken them. The authors of the study recommended that corporate gifts to doctors be prohibited as a conflict of interest, due to the influential role of human psychology. Such a study makes us wonder if American teachers, whose traditional career image has been one of self-sacrifice, would fare any better than the physicians in refusing corporate gifts. Many teachers today are encouraged by their school districts to seek out corporate sponsorships in the name of “business partnerships.”

Corporatism affects more than business concerns. Other organizations may exhibit the hallmarks of corporatism, including defensiveness against external threats, allegiance to the organization, and prioritizing the organization over and above other loyalties and allegiances, as when, for example, the Catholic Church and its officials put the interests of the Church first in cases of the sexual abuse of children by members of the clergy. The emphasis on such concerns by administrators in school districts and universities can be seen by the decrease in the numbers of administrative positions that focus on curriculum and instruction and the increase in those that are more managerial in nature.

Insularity is a characteristic of corporations and corporatism. In corporate decision-making processes insularity determines who is enfranchised and who may be affected by the corporation's decisions, but are otherwise disenfranchised. For public organizations and entities, at least nominally, the public (the voters, for example) have some leverage. In corporations, the CEO and his/her deputies communicate with the board of directors, sometimes appointed by the CEO him/herself, and sometimes with major shareholders. The culture of insularity and mutual reinforcement has resulted in some egregious excess by CEOs. CEO pay and compensation packages are produced in such environments, where the norm is anything but normal, and huge bonuses and other perks reward risky behavior (risking other people's money), and promote lavishness, extravagance, and in some cases, imperial hubris. A prime example emerged when the then president and CEO of Tyco International, Denis Kozlowski, was charged with corruption and stealing hundreds of millions of dollars from the company and sentenced to up to 25 years in prison. Among his excesses, and one that caught the attention of the public, was when he threw a lavish \$2 million Roman-themed birthday party for his wife on the island of Sardinia, for which he flew in the musician Jimmy Buffett for a reported fee of \$250,000 among other bizarre expenses (such as an anatomically-correct statue of Michelangelo's David urinating Stolichnaya vodka into crystal glasses [St. Petersburg Times, 2003]). Though public school employees usually do not live lavish lives, in most public schools in the US, for all the talk about community and communication, the demarcations between teachers and parents are typically distinct, leaving parents on the outside, trying to figure out how to get involved in schools and the decision making processes teachers and administrators employ. Maintaining walls around school budget

and curriculum decision-making processes contributes to the insularity of educators and educational institutions and works against transparency, and, in the worst cases, promotes an atmosphere in which charter school administrators dip into school funds for things such as private automobiles and shopping trips with impunity.

For some, corporations substitute for the social group. In the not-too-distant past, such social groups were constituted by the family, the clan, the tribe; later the human urge to belong to a collective transferred to larger, more abstract forms of organization: to churches and their religions, nations (and nationalism), even sports teams, which in many ways function as a sort of modern tribe (with the attendant fanaticism, from which we derive the term fan). Corporations have tried to command allegiance in this way—both of employees and non-employees alike. One aspect of branding—a component of marketing—is the manufacture of consumer allegiance to a brand or product. This, itself, conventionally has been part of a person’s identity and identity formation.

The economic turn that comes with today’s bio-political society, however, results in a tension, due to what Agamben has called the “triumph of economy, that is to say, the pure act of governing, which pursues only its own reproduction” (as cited in Žižek, 2010, p. 93). Today one can have multiple identities, we can be anyone, or so society tells us. Corporations therefore must work even harder at making people feel loyal to them.

As a result of our all too human tendency to look for the meaning in phenomena and occurrences we anthropomorphize entities, processes, realities otherwise too complex to comprehend (Guthrie, 1993). We often imbue corporations with human qualities, sometimes benevolence, in *pater familias*. We assume that, like humans, organizations can learn (hence, the popularity of the concept of the learning organization), or will have our best interests at heart. We ascribe rationality to corporations and other organizations that they are incapable of possessing or exhibiting, due to their makeup and constitution and the processes operant within them and those affecting them from without.

Recently the United States Supreme Court, in a decision that lends weight to our argument that a corporatist ontology pervades the life-world, held that corporations have the same free speech rights as people and cannot be limited from exercising those rights by the federal government (Liptak, 2010); in effect, Supreme Court held that when it comes to exercising free speech, corporations are the same as people.

## RACE TO THE TOP

In the US, as corporatism, neo-liberalism and New Public Management have taken hold, they inform, perhaps even dictate, educational reform agendas. Even a cursory reading of the language and intent of the most recent US federal initiative, the Race to the Top, exhibits these influences. The framers of this policy enumerate what they term the four pillars of the initiative, ostensibly, these are: teacher effectiveness, higher standards and rigorous assessments, effective school turnaround, and better use of data. Fundamentally, the Race to the Top, as the name implies, is a federal grant competition, favoring those states (and the grant application must be submitted on behalf of each applying state) that meet the criteria set forth in the policy document. In short, the federal government is leveraging relatively little real money for monumental change (the US Secretary of Education claims that the four billion US dollars represents just one percent of federal education expenditures [Duncan, 2010]). “Leveraging,” with its sense of applying a financial technique to multiply gains, is emblematic of the economic discourses of schooling today.

Within the Race to the Top policy statement there is language that requires that the states embrace and, in many cases, enact certain, narrowly-defined and contentious reform initiatives. According to an analysis by Deschryver (2009), the legislative liaison for the education law firm of Brustein & Manasevit:

- There are two critical eligibility requirements that will certainly receive many comments,
  - The first is that states must have no legal, statutory, or regulatory barriers to linking data,
  - About student achievement or growth to teachers for the purpose of teacher and principal evaluation (para. 9).

One of the more controversial requirements of this policy is that those states applying for this substantial funding must enact “a charter school law... and that law must not prohibit or effectively inhibit increasing the number of charter schools in the state or otherwise restrict student enrollment in charter schools” (para. 17). All the states that applied enacted such legislation, effectively permitting federal educational reform by fiat. Previously, numerous professional organizations, teachers unions and concerned members of the public were able to block or limit wholesale

adoption of charter school legislation in their states out of concern that such schools would siphon scarce public resources for private, for-profit education providers. Critics of the wholesale introduction of charter schools and charter school legislation feel that charter schools offer private gain at public risk.

Multinational company CEOs and US billionaires are throwing their considerable weight behind the charter school movement. A New York Times article titled “Big Hedge Fund Leaders Come to Support of Charter Schools” (Gabriel & Medina, 2010) noted how:

The financial titans, who tend to send their children to private schools, would not seem to be a natural champion of charter schools, which are principally aimed at poor, minority students. But the money managers are drawn to the businesslike way in which many charter schools are run; their focus on results, primarily measured by test scores; and, not least, their union-free work environments, which give administrators flexibility to require longer days and a longer academic year (p. A17).

### **Market forces**

Market forces affect education and educational reform. The recent global economic crisis has only exaggerated the effect. By way of initiatives such as those having to do with the establishment of whole universities in the on-line environment and the reform initiatives adopted by many, if not most, US states (discussed above), business is determinedly taking control of the domains that were formerly the purview of educators. The internet and hybrid arrangements of texts, courses, other training, and whole programs of study offered on-line—both for public school and university students have provided a boon for those businesses seeking a profit in the financially lucrative field of education. For example, several entrepreneurial concerns have begun on-line charter schools, drawing students from their public schools, along with their federal per pupil funding formula monies, and providing those students with on-line curricula at a relatively low cost to the providers. Some public schools are looking to cash in on this relatively inexpensive alternative and have inked business deals with the on-line provider wherein the school supplies the students, the business (in this case, K12, which, with 70,000 students in 25 states, boasts at being “the nation’s largest supplier of on-line

education for kindergarten through 12<sup>th</sup> grade” [Adler (2010), para. 12] supplies the curricula and they split the money allocated those students from the state and federal government, roughly \$5000 per student in this case. A spokesperson for this particular district told reporters ““Charter schools have been the primary venue for the provision of online learning for virtual schooling... Why can’t public schools offer the same?”” (para. 9) But critics are troubled by “using public tax dollars to fund what’s essentially a private school’s curriculum” (para. 14). The report cites a local college professor as saying that ““nobody started talking about the virtues of online learning and really wanting to afford parents and students more choices, which is the language [this district] uses, until the budget crisis. So you can put two and two together”” (para. 11).

Commercial concerns have benefited from, perhaps contributed to, the political pressure brought to bear on schools, colleges, and universities (Gabriel & Medina, 2010). Using the excuse of a teacher shortage, demagogues and conservative policy makers in the US (neo-conservative think tanks such as the Cato Institute, Brookings Institution, the Heritage Foundation and others) work to wrest control of teacher preparation from colleges of education because they are deemed to be too liberal.

Accountability regimes are being transplanted from the sphere of the public school to the public university. Likely there have always been forms of, if not accountability, at least assessment and evaluation practiced at both the program and the individual level in higher education (course evaluations, program evaluations, and the like). However, the newer forms of assessment, and what makes them into forms of ‘accountability,’ have increasingly high-stakes ramifications. Some policy makers and legislators in the US are seeking to tie assessments of colleges of education and their teacher preparation programs to children’s achievement on state high-stakes academic achievement tests (with concomitant rewards, punishments and sanctions for the identified college or program attached); this, despite the fact that there have been no direct links, or ways of linking, found between, on the one end, achievement test scores of public school students and, at the other end, the teaching (as opposed to the learning) taking place in colleges of education.

As Waite, Moos, Sugrue and Liu (2007) suggest, the major social institutional forces of the state, business and the church (/religion) are always and everywhere in dynamic interaction. Sometimes the interests

of these institutions or forces are aligned, perhaps indistinguishable. Sometimes the interests of these forces are opposed. Often their interests are different enough to engender a dynamic between and among them and their agents. This usually occasions a negotiated process whereby, for example, resolution of an issue or establishment of a policy, initiative, or direction, is wrought through a give and take of positions and interests by agents representing the different institutional social forces. In the model mentioned above, different social forces act as counterbalances to the hegemony or supremacy of any of the others, though, as Waite et al. demonstrate, each epoch has been characterized by the predominance of one or another of these social institutional forces.

According to the Waite et al. (2007) model, the current period manifests a relatively weak state or government relative to the strength of commerce and business. In the US, the church likewise is in a relatively weak position compared to business. (This balance and counterbalance, as the model proposes, likely varies according to locale and its conditions across the globe, though the major players—business/commerce, the state, and the church/religion—remain the same.) Because of this, business, business motives and business ontologies dominate. It is as though the lived world has now become unipolar, with corporatism being the dominant organizing force and economics the dominant ideology. The model does suggest, however, that the strength of each social force is never zero, they are always and everywhere operant to a certain degree, just as there are always everywhere counterdiscourses to even the most monolithic and hegemonic discourse. Even if or when one or another social force were not to be dominant on the international or national stage, its effects might still be felt more at a regional or local level. The model is not predictive, only descriptive, and, hence, local actors need apply it and apply it anew for each case in order to wring from it its explanatory power. Also, as the effect of each social force is never zero, the major institutional forces Waite et al. discuss often team together, one sometimes traveling on the back of another. So it is, for instance that business may advance its agendas by attaching itself to, manipulating or using state means, such as the state's military, as in systematic corruption discussed below. As an example, Figure 1 captures the perception of the leaders of a leading Turkish teachers union as to how US corporations ride on the back of the US military.

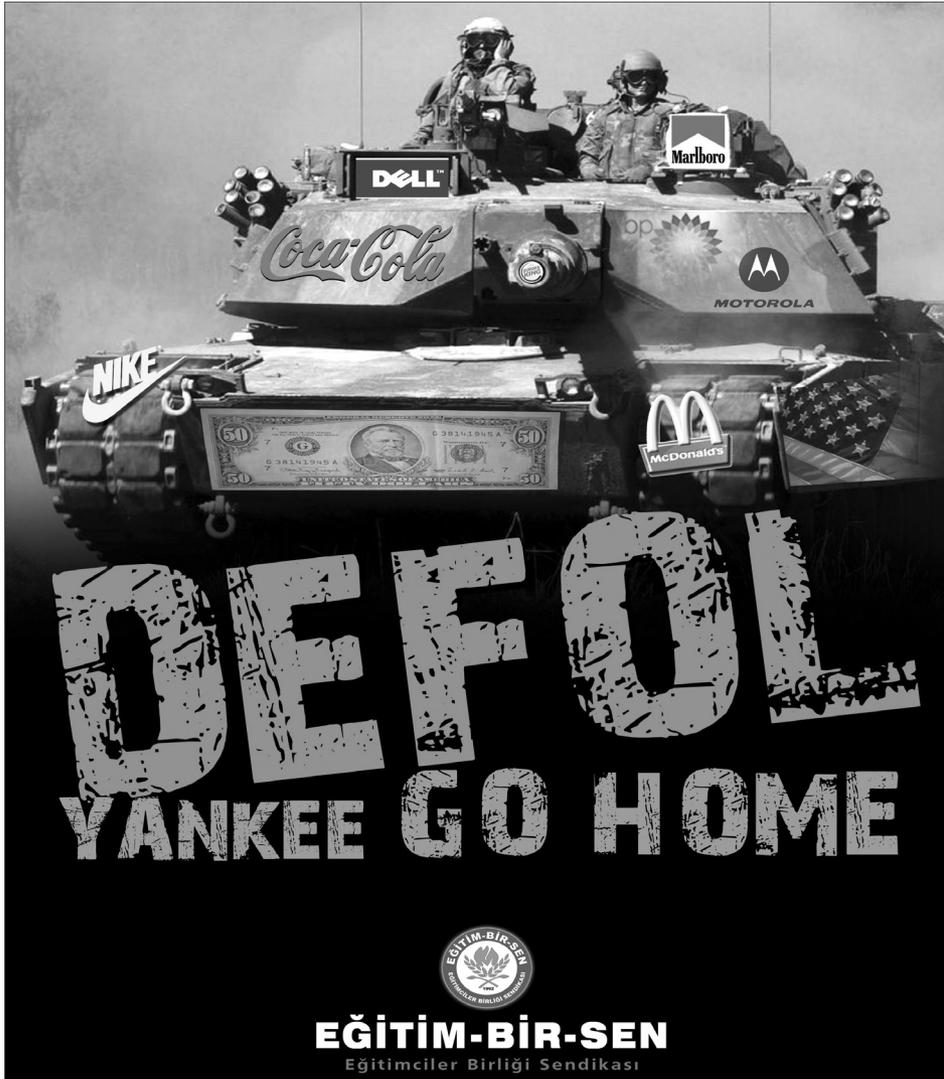


Figure 1. Poster produced by one of Turkey's leading teachers unions, *Eğitim-Bir-Sen*, showing US business and military complicity. (That the poster includes the logo for BP, British Petroleum, may be inadvertent or may be intended to depict the insidious relations of international corporations.)

Ranciere's (2006) work on democracy and politics suggests yet a different interpretation of these forces. Ranciere has argued that there has always been a hatred of democracy due to the uncontainable excess

that is fundamental to it. Republics work to eliminate the hated excess of democracy by making State and society homogeneous, thereby “erasing” politics itself. Politics, according to Ranciere’s (1998) conceptualization, is the act of partaking in the rupturing of the roles and places that are distributed in the sensible. The act of politics is fundamental to democracy. Today’s economic corporatism casts State, society, and business as one whole; it turns a blind eye to the excess that can never be contained, while strengthening the policing of the boundaries of the sensible.

Based on our observations of global and particular trends and our interpretations of them, we feel that we are in the early stages of a period of unbridled corporatism. If so, what implications might this have for education?

### **Educational Implications**

Business, like bureaucracy, is premised on standardization. (This is true, especially, for globalized business enterprises, such as McDonalds, IBM, IKEA, Nokia and the like.) Education, on the other hand, is best when tailored to the individual students. This is one of the reasons why standardized tests grafted onto standardized curricula produce such startling ‘achievement gaps’ where, in the US, there are noticeable differences between, in the aggregate, Anglo, Latino, and African-American test scores, and why so-called drop-out rates approximate 33%, with the highest drop-out rates among, again, Latino and African-American youth. Though there are legitimate criticisms of the theory and its wholesale application (Rancière, 2003), these conditions appear to lend support to Bourdieu’s theory of cultural reproduction—wherein, societies and their schools (in the weak version of the argument) contribute to (as opposed to cause—which is the strong version) intergenerational disparities in, for example, financial wealth and other forms of cultural capital; that is, schools are complicit in reproducing social inequality generation after generation. One reason for this, according to Bourdieu, is that schools both stem from and reinforce a particular habitus—a largely unconscious way of being in the world. Those coming with a different habitus find themselves on the outside: The curriculum appears irrelevant and foreign.

Corporate relationships with external agents also are exchange based. Support for the point raised above—that the current epoch can be characterized by an economic ideology that promotes the dominance

of business over the other two major social institutional forces (the church and government)—can be found in the way in which corporate, commercial and consumerist discourses and their associated ontologies have thoroughly infiltrated the lifeworlds of people. This is apparent in the discourse of education and in certain educational reform initiatives. For instance, rather than the reform discourse being concerned with good teaching, good teachers and good schools, the jargon is of *effective* teachers (i.e., efficient in a business sense) and *effective* schools or the opposite, failing schools. That such corporatist discourse has pervaded the deep culture within US/Western society (and likely elsewhere, due to the global nature of English [McCrum, 2010], the language of international business, and other factors) is evident in the language of the Cleveland (Ohio, USA) school superintendent (referred to in the report as the Cleveland schools' CEO) and his description of the factors he could not take into consideration, but, by implication, those he would very much like to, in decisions about which teachers to retain and which to let go to make up a huge budget shortfall. He said, “the last hired are the first ones to go, without regard to productivity, efficiency, accountability, performance or outcomes” (Abramson, 2010, para. 5). The corporatist discourse here is striking.

Education is marketed to the public for the competitive advantage it promises, both individually and nationally. Americans, and perhaps others, are warned of the dangers of becoming a second-rate economic power because of the schools and education system, while the means of production and the distribution of wealth are left unexamined, undiscussed and undiscussable in the public dialogue. This language of competition, an us-against-them discourse, especially hinders global communalism and fuels nationalism and re-territorialization, instead of fostering deterritorialization (Lugo, 2005).

*Teaching other people's children, using other people's money*

Universities in the US, at least, have increased their overall spending on sports (Drape & Thomas, 2010) even in the midst of economic difficulties when many academic budgets are being slashed. Reporters for the New York Times noted how:

Overall spending on sports has increased among universities with big-time programs. . . . In 2008-9, athletic programs in the Football Bowl Subdivision increased their spending by nearly 11 percent over

the previous year. At the same time, universities also increased their contribution to athletics, by 28 percent. That spending came even as the economic recession forced universities to make painful cuts. (p. B14)

While slashing academic budgets, many universities in the US are substantially increasing their budgets for their athletic departments and sports teams (Drape & Thomas, 2010). At the University of Florida, for example:

The university laid off 139 faculty and staff members from 2007 to 2010 in response to the more than \$150 million reduction in state funding. The athletic budget, however, is up 6 percent to \$94.6 million from \$89 million the previous school year. The University Athletic Association, a nonprofit corporation that reports to Florida's Board of Trustees, finances the athletic department, and [University of Florida Athletic Director Jeremy] Foley is its chief financial officer." (p. B14) (Foley himself earns a base salary of \$1.2 million, plus bonuses and perks.) We must keep in mind that only a small percentage of athletic programs actually make money, all the others run deficits, which means that the athletic programs are subsidized by the university, often at the expense of the academic program, and paid for in large part by the fees students are charged. Also, as an example, though the University of Texas' athletic program earned \$87.6 million dollars in 2009 (Maher, 2009), public universities in the United States are classified as non-profits and pay no taxes on such earnings.

That universities, in the US at least, are becoming more corporate is evidenced by their sports programs, the relation between that program and others at the university, and, of course, the business of sports, including sports marketing. Besides the revenue brought in by ticket sales and TV rights (which can be substantial), many athletic programs, and sometimes their universities (depending upon the relation between athletics, academics and the other 'divisions' of the university) make substantial amounts of money on the merchandise sold on campus, through the internet, and so on, and from the royalties from licensing its 'brand.' For example, a recent report (Maher, 2010), finds that the University of Texas at Austin—the Longhorns™--made \$10.5 million (USD) in royalties alone last year (from July 1, 2009, through June 30, 2010) from the sale of sports merchandise or memorabilia. The report stated that:

Royalty contracts vary, but Texas—and now Ohio State—typically receive 10 percent out of the wholesale price for an item. The retail price

might be double the wholesale one so, roughly speaking, \$10 million in royalties might represent \$200 million in retail sales. (p. C10)

Universities across the US are proportionally allocating less money to instruction and academic support (Lewin, 2009) and more to administration (Greene, Kisida & Mills, 2010); on average, increasing the number of university administrators by nearly 39 percent. According to a research report which examined “the growth in executive and administrative staff as compared to instructors and researchers” (p. A6), “the results were disturbing”:

In 2007, nearly 39 percent of all full-time employees at these universities were engaged

in administration, an increase of 39 percent from the number of administrators per 100 students in 1993.

Only 29 percent of full-time employees were engaged in instruction, research and service, an increase of 18 percent since 1993. (p. A6) The researchers’ commentary continued:

One might think that as enrollments increase, universities would need relatively fewer administrators per student because they could spread those fixed costs over a larger base.

Instead, the opposite is occurring. As universities increase their enrollment and receive more money, they expand the ranks of administrators even more rapidly.

Rather than achieving economies of scale in administration so that more resources can be redirected to core functions, America’s leading universities increased administration significantly faster than enrollment and almost twice as fast as teaching, research and service. (p. A6)

Another report (Lewin, 2009), this by the Center for College Affordability and Productivity, based on US Department of Education data, substantiated this trend. Additionally, this report found an employment trend skewed toward creating and/or filling positions meant to augment the social side of universities for students: “the findings raise concerns about administrative bloat, and the increasing focus on the social and residential nature of college life, as opposed to academics” (p. A12). The center’s report stated that: “colleges have altered the composition of their work force by steadily increasing the number of managerial positions and support/service staff, while at the same time disproportionately increasing the number of part-time staff that provides instruction” ... “meanwhile, employee productivity relative to enrollment and degrees awarded has been relatively flat ... (p. A12)

This shifting composition of university workforces affects the tenor, the character of the university, furthers goal displacement and affects the mission of the university. As, increasingly, ranks are filled with administrators and these become more powerful, proportionally, than those of the professorate, goals, missions and objectives will reflect this, as will the self-perception of those who guide the university. We are likely to see university and school corporatism snowball.

The fact that US colleges and universities are spending more of their budgets on administration and athletics, and not on instruction, is evidence both of corporatization of the university and their deviation from their core mission (which may, in fact, be a fundamental, telling characteristic of, first, bureaucracies and, after them, corporations) (Shirky, 2008). So-called transaction costs eat up a larger and larger share of an organization's resources. Universities, in this case, exact higher and higher fees from students, seek larger governmental allocations, and invest time and other resources into what is euphemistically termed 'development' (courting donors and soliciting donations and endowments). Students, in effect, are paying more, and collectively are carrying a heavier portion of the school's budget, and getting less for it (Zernike, 2009). That is, a larger proportion of their fees, as with the combined resources of the college or university, are going to cover administrators' salaries and other transaction costs. As Shirky noted: "No institution can put all its energies into pursuing its mission; it must expend considerable effort on maintaining discipline and structure, simply to keep itself viable. *Self-preservation of the institution becomes job number one*" (pp. 29-30, emphasis added). This is a point Weber (1946) made in his early observations about bureaucracies—that they work at self-preservation.

#### *The university as conglomerate*

As if more evidence were needed of educational institutions' all-encompassing corporatism, we have the announcement by those at the University of Texas that it is forming an energy company, supplying electricity and gas across the state (Price, 2010). The company is to be called Texas Longhorn Energy. The deal was cobbled together by "Branded Retail Energy, a Dallas electricity marketing company" (para. 5). In actuality, the energy is being supplied by Champion Energy Services, out of Houston, Texas, but sold under the Texas Longhorns brand (recall the discussion of branding above), and, supposedly, the profits, generated

by new customer subscriptions to the services, “will pay for sustainability initiatives for the University of Texas and its athletic program” (para. 2).

Similar in nature, if not in scale, is the licensing granted by the University of Texas for a business to sell drinking water in plastic bottles that resemble the iconic University of Texas tower (Figure 2).



Figure 2: *Bottled water licensed by the University of Texas at Austin.*

*The University of Texas also runs a charter school, as do many for-profit and not-for-profit enterprises.*

#### *Charter schools*

As noted above, evidence that corporatism has taken over the public sphere is to be found in the recent and current phenomenon of the rise of so-called charter school movement, especially in the US. Throughout this discussion, however, we are advised to keep in mind, as Anderson (2010) pointed out, that there is great variation in for-profit enterprises and/or reforms, charter schools being just one type, but an illustrative one for all that. Anderson laid out a typology of those either providing for or, in some cases, advocating for-profit primary and secondary education—those he termed “new policy entrepreneurs.” One of the characteristics Anderson examined was the relation that

the business concern (e.g., owner or corporation) had with the other various stakeholders (parents, administrators, teachers, students, the state, etc.). The new policy entrepreneurs Anderson discussed were: alternative certification providers; venture philanthropy concerns; school effectiveness experts; the education industry itself; those of the choice/charter school movement; public/private partnerships; university schools of business; corporate interest groups; the security industry; and, finally, think tanks.

Just as there is variation among types of for-profit advocates and providers, so, too, there is variability among the types of charter schools, as noted by DiMartino (2010). Many, if not most charter schools are hybrids, relatively few are of a pure type. But charter schools are not without their problems and their critics (e.g., Sarason, 1998). Some of the issues surrounding charter schools arise simply because of the business model (and corporate ideology) underpinning such schools. As noted above, competition and profit are two characteristics of neoliberal ideology, and have an overwhelming impact on charter schools, their conception, implementation and progression. For example, in New York City, charter schools were introduced with the rationale that they would profitably make use of unused space in some New York schools. In such schools, public school classes run alongside those of the charter school enterprise (Medina, 2009). This proximity creates tension: Public school students see the new desks and bright classrooms of the charter school, items their publicly-funded school might not be able to afford. If the perception of the public school is poor, students may leave it for the charter school housed in the same building. As these charter schools succeed, they may usurp space from the public school, sometimes amicably, many times not. Such competition creates friction.

Also, charter schools enjoy lax oversight. A colleague who works for the state education agency in charge of working with schools struggling to meet No Child Left Behind's annual yearly progress requirement has confided in us that if a school is corrupt, it's likely a charter school. In New York and elsewhere, charter school administrators have been known to spend thousands of dollars on airline tickets, restaurants and alcohol, and hundreds of thousands on no-bid consulting contracts (Confessore & Medina, 2010). Reporters from The New York Times found, in one particular instance: “. . . in the Bronx, the Family Life Charter School pays \$400,000 annually to rent classroom space from the Latino Pastoral

Action Center, a ‘Christ-centered holistic ministry’ led by the Rev. Raymond Rivera. Mr. Rivera also happens to be the school’s founder” (Confessore & Medina, para. 3). Conflicts of interest abound, along with questionable expenditures, payments and salaries.

One of the greatest areas of concern and dissatisfaction with charter schools is that having to do with control: Who controls what in such schools? Who controls budgets? Who controls the contracting of additional services and how is such contracting done? Who controls the hiring and firing of personnel? Who controls curriculum? Who controls working conditions and so on? As DiMartino (2010) has shown, there is a continuum of control, from affiliation (where the company or commercial concern assists), to “thin management” (where the company influences), to comprehensive management (where the charter company controls nearly every aspect of the school). DiMartino noted that the trend is ever toward more, not less, control.

Generally, “as public money is used” to fund charter schools, “most states grant charters to run such schools only to nonprofit groups with the expectation that they will exercise the same oversight that public school boards do. Some are run locally. Some bring in nonprofit management chains. And a number use commercial management companies like Imagine” (Strom, 2010, p. A10). Problems and criticism have hounded the Imagine Schools company, founded by one of “the nation’s new crop of education entrepreneurs” (p. A1). The company has contracts with 71 schools in 11 states, making Imagine “the largest commercial manager of charter schools in the country.” However, almost since its inception, issues of finance and control have troubled the company and the educators involved. Though the teachers, administrators and other educators involved in charter schools may believe they have or desire to have control over, at minimum, pedagogical decisions, the business owner often has other ideas. For example, the owner and CEO of Imagine sent an email to his company’s executives cautioning against them giving educators the idea that the educators themselves “are responsible for making decisions about budget matters, school policies, hiring of principals and dozens of other matters” (p. A10); rather, he wrote, “it is our school, our money and our risk, not theirs.”

The model is flawed. A District of Columbia [Washington, D.C.] official with experience in such matters is quoted by the New York Times as saying: “It’s not just Imagine, though Imagine is the one that probably

has given us the most concern. . . . We find it is very hard for schools that hire management companies to maintain their independence, and charter schools are supposed to be independent” (Strom, 2010, p. A10).

### **Corporatism, Corruption and Education**

John Dewey (1916) published *Democracy and Education* almost one hundred years ago. In this particular work, Dewey asked: “Is it possible for an educational system to be conducted by a national state and yet the full social ends of the educative process not be restricted, constrained, and corrupted?” (p. 97). This is the same sense in which John Goodlad (1979) used the notion of corruption, some sixty years later; that is, where corruption is taken to mean corruption of the educative function, corruption of the aims of education. Goodlad noted how “the norm by which the performance of schools is now judged is entirely inadequate from one perspective and, from another, corrupts the educative process” (p. 58).

### **Corruption in Society**

Former Mexican President Vicente Fox called corruption “the evil of all evils” (Althaus, 2000, p. 2). Noonan (1984, p. 700) stated that, “next to tyranny, corruption is the great disease of government.” When corruption takes root within an organization or society, the effects are crippling and pervasive. Corruption and corrupt practices not only severely limit a country’s economic productivity (Klitgaard, Maclean-Abaroa & Parris, 2000), but undermine confidence in civil authority, and, as we suggest, have severe and deleterious effects on the individual and collective psyche (Noonan, 1984).

Almost from its inception as a valid political form, democracy has depended upon education for its sustenance. Dewey (1916, p. 87) wrote that:

*since a democracy repudiates the principle of external authority, it must find a substitute in voluntary disposition and interest; these can only be created by education... Democracy is more than a form of government; it is primarily a mode of associated living, of conjoint communicated experiences.*

However, education, like democracy, is not free-standing; it exists within a complex web of contexts and sociohistorical phenomena. This is why each takes on a different tenor dependent upon the contexts in which it is situated.

The world today is much more interconnected, more complex than ever. Globalization, marketization, neoliberalism, corporatism, the new public management, and accountability everywhere conspire to affect how education is done. Dewey might encourage us to undertake a social analysis that goes beyond simple definitional tendencies (i.e., what is democracy?), to a more penetrating social, organizational, institutional, and cultural analysis of how our democratic impulses play out under current conditions and within contemporary contexts. For if we accept Dewey's assertion above, these things matter.

The issues we raise were touched upon in a speech at a fundraiser before the Texas Values and Action Coalition by then Austin (Texas) District Attorney Ronnie Earle (Earle, 2005). (Earle is best known for prosecuting some colleagues of former US House Majority Leader Tom Delay and investigating the organization he founded, Texans for a Republican Majority, and another, related organization, The Texas Association of Business, for illegal campaign contributions. Delay was eventually forced from office.) In his speech, Earle (2005) noted that a serious problem for democracy in America is: the corruption of representative democracy by large amounts of money from certain corporations and other large moneyed interests. Those corporations and moneyed interests are paying \$10,000, \$25,000, and up for 'face time' with powerful politicians of both parties so they can get special deals that rob the pockets of John and Jane Citizen. . . . Something is wrong with this picture. It is corrupt. . . . We have to do something about the use of large amounts of private money to buy more democracy than an ordinary citizen can. (p. 3)

Earle (2005, p. 4) continued: "we have to rescue democracy from the money that has captured it." Earle invoked the fight against the Italian fascists of Mussolini in his assessment of the threat to democracy, saying, "Mussolini and his fascists were the sworn enemies of democracy. Mussolini said that fascism should more properly be called *corporatism*, since it represents a merger of the state and corporate power" (p. 6, emphasis added). Earle concluded by tying the various forces, processes, and risks together when he noted how, "The tone of corruption is

threatening everything we care about: Public safety in our communities; legislation in the public interest; education, health care, etc., and diversity, which is the basis of our prosperity” (p. 8).

Simmel (1978) recognized the early stages of the corruption of the Good in the 1900s. He commented upon the philosophy or ideology of money and how it has come to have such a grip on (modern) human society:

A larger proportion of civilized man remains forever enslaved, in every sense of the word, in the interest in technics. The conditions on which the realization of the ultimate object [i.e., money] depends claim their attention, and they concentrate their strength on them, so they are often denied. (p. 231)

Further, Simmel noted how:

At present—as in the period of decline in Greece and Rome—and far beyond the inner state of the individual, the whole aspect of life, the relationships of human beings with one another and with objective culture are coloured by money interests. (p. 241)

Such teleological changes—the acceptance and integration of corporatism at the collective unconscious level—threatens to go viral through our globalized networks. In the process, conceptions of the good teacher have been erased from the public consciousness and discourse and have been replaced by the corporatist language of productivity, efficiency, accountability, performance and outcomes (see above).

As Simmel (1978) remarked, money is in dynamic relation to other aspects of society. As McCrum (2010) noted, “today, language, culture, money and power are linked” (p. 14). And a lot has changed since John Dewey’s time. Changes have affected both democracy and education.

Citing Tocqueville, Lukacs (2005) noted how he felt that:

great revolutions will become rare, too ... because democratic societies tend to become materialistic, and more and more people will acquire possessions that they will not want to imperil, and because states and governments will eventually propitiate and ensure the welfare of their peoples through large bureaucracies. (p. 18)

Such large bureaucratic governments, though ostensibly democratic, provide people only freedom from, in Simmel’s (1978) terms, but may actually hinder attainment of freedom for or freedom to.

What we have so far not mentioned is that state control (and we include state-corporate amalgamations here, in Earle’s [2005] sense as

noted above) is becoming both more total and more repressive. This has resulted in the systems of high-stakes testing experienced throughout most of the English-speaking world today and, especially in the US, imposition of a charter school (i. e., private or public-private hybridized) form of schooling. The corruption of education is a complex and complicated process, one we have attempted to elucidate. The language games of school reform, standards, school improvement and marketing of private profit as a public good obfuscate other, more fundamental issues, such as the responsibility teachers and the state have to students—to students as people, will full human rights, and not to students as consumers of education and educational products or to students as workers in the making. Deviation from this ideal, substituting a consumer orientation toward young people enrolled in school, using and manipulating them for economic ends, is a corruption of the educational process, one that infiltrates, infects and corrupts all other educational aims and processes.

Many of those who call themselves educators have been seduced into complicity with the state's educational reform agenda; some for the cash and some for the prestige, or to avoid embarrassment in the name-shame-and-blame game of school accountability. Technocrats who manipulate children's lives and life chances for their own gain and who play on the gullibility of parents and the public are no better than the corrupt bureaucrats hampering Afghanistan's efforts to move toward a society based on the rule of law. (Recall that such societies—those that practice a rule of law, where there is transparency or accountability, and where bureaucrats do not exercise unlimited discretion—are those that are less prone to corruption.) General Abdul Jamil, who headed the police crime branch in Kabul, referred to such bureaucrats as “the snake in the sleeve” (Watson, 2005, p. A20). “These are the most dangerous enemies,” said Jamil, “because they look like friends.’...‘But in reality they are our enemies, and these are the people who work alongside us in the government.’”

## **Conclusion**

Schools exist in a web of relations with other societal institutions and are influenced by wider societal norms and mores, processes, policies, laws and practices. The paradoxes and tensions that infuse a society are reflected in schools and school policies. This includes democracy

and school governance: If the society within which they operate suffers corporatism and corruption, schools will too.

The introduction of market values corrupts teaching. Simmel (1978) recognized as much when he observed that “the value of things none the less exacts recognition over and above their money interest if a personally performed task rather than a substance is sold” (p. 405). He continued, “the teacher and the priest demand not only their salary, but also reverence and loyalty” (p. 405). Further, he noted, many performers of specific tasks—apart from the money which they objectively recognize to be a sufficient equivalent for their achievement—also demand a personal acknowledgement. Personal performances demand something over and above their money equivalents. Wherever the activity of money-making itself already lacks prestige... the degradation increases, particularly with reference to personal-intellectual achievements. Thus, to teach or to engage in intellectual work in general for money appeared to be a degradation of the person. As to all those activities that have their source in the core of the personality, it is superficial and unreal to assume that one could be paid for them in full. (pp. 405-406).

This was the point made by Ariely (2008), who cautions against the implementation of monetary incentive systems for educators: “Instead of focusing the attention of the teachers, parents, and kids on test scores, salaries, and competition,” he suggests, “it might be better to instill in all of us a sense of purpose, mission and pride in education” (p. 85).

Teachers often are demoralized under current conditions. Teachers and those administrators who believe in education and who put children’s interests and the common good above short-sighted and politically-manipulative school improvement goals are being squeezed. Teaching and commercial interests are often at odds, and at fundamental, epistemological and ontological levels. Perhaps this is one reason teachers balk at merit pay, pay-for-performance schemes, and voucher systems.

Democracies require free and open societies and institutions in order to flourish. Currently in the US, and elsewhere, neither the schools (Sarason, 1996), nor the society at large can reasonably be termed free and open. Teachers suffer from fear and intimidation under regimes of high-stakes testing and accountability. Students are shortchanged in numerous ways. One recent high school graduate reflected as much in his valedictorian address (Newsweek, 2005). In his speech, Abraham Stoklasa voiced what many high school graduates across the nation must have been

feeling when he said, ““You have given us the minimum required attention and education that is needed to master any station at any McDonald’s anywhere”” (p. 21). Because of the corruption within and surrounding schools, the common good suffers, just as students suffer. With neither experience in democratic processes, nor the theoretical foundations and other learning of and about democracy, students are ill-prepared to foment and maintain a democratic society.

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