Masking Neoliberal Ideology: Teleological Framing and the “Reinvention” of Higher Education

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Abstract

Over recent decades neoliberal ideology, in the guise of market imperatives, has gained resonance within institutions of higher education around the world. Neoliberal proposals are too often characterised as ‘realistic’ responses to competitive market needs for efficient outcomes, although the proposals themselves are ideological and many of them fail, once implemented. Post-global recession, for example, tech entrepreneurs and university administrators warned that higher education must be reinvented or become extinct due to innovations in online courses and market competition. These neoliberal frames were resonant with teleological cultural narratives of inevitable progress, which shut down consideration of alternatives to solve university problems. This study looks at a microcosm of larger trends in academia through a comparative content analysis that identifies how frames were constructed to promote the reinvention of higher education through online courses at a state university in California and a research university in Missouri, USA. Neoliberal policies failed at both institutions as millions of dollars were spent to jumpstart the reinvention. These cases sensitize us to how neoliberal framing masks corporate interests and poor administrative decision-making influenced more by ideology than research and evidence.
Keywords: Framing; Teleology; Neoliberalism; Technology; Online Courses

Introduction
Neoliberals have long argued that private businesses and unregulated markets produce the most efficient and productive outcomes. Over recent decades these arguments, whether accurate or not, have gained resonance within institutions of higher education around the world. Scholars differ in their definitions of neoliberalism; however, common characteristics of this ideology include privatisation of most public institutions based on the presumption that the best outcomes for societies can be provided through private market transactions. The role of the state, neoliberals argue, should be limited to protection of person, private property, military defense and to creating an infrastructure of incentives through which private markets can flourish (Freedman, 2002; Jones, 2014; Harvey, 2005). Neoliberal policies vary in different regions, political cultures and institutions but can be identified through a market reductionist logic that valorizes productivity, efficiency and accountancy over nonmonetary values. Government programs on behalf of the public good, which do not divert state funds to private markets, are rejected as coercive and/or ineffective.

Proposals for neoliberal solutions gained traction in the West as Keynesian economic policies were unable to mitigate economic stagnation and inflation during the 1970s. The elections of British Prime Minister Margaret Thatcher in 1979 and US President Ronald Reagan in 1980 ushered in policies of deregulation, privatisation, tax cuts and funding cuts to education. Notably, liberal to left political actors also adopted some neoliberal policies as they moved to the political ‘center’ including U.S. Democratic President Bill Clinton (1992-2000), Labour Party Prime Minister Tony Blair in Great Britain (1994-2007) and Australian Labour Party Prime Minister, Bob Hawke (1983-1991),
the latter of whom promoted the marketisation of universities while limiting public investment in them. By the turn of the century government funding for higher education in Australia was cut to half of what it was in 1980 (Racitti, 2010).

In the US an infrastructure of think tanks, talk radio and cable broadcast news communicated neoliberal frames over several decades to accomplish a discursive ‘resistance from above’ (Greenhouse, 2005). Prior to the 1970s there were only a few think tanks in Washington DC. The number increased when conservatives organised a national campaign against ‘politics and ways of life’ that, in their opinion, ‘threatened America’s spiritual and material well-being’ (Ricci, 1993). Limited international connections among neoliberal think tanks did occur. Stuart Butler, for example, who founded the Adam Smith Institute in Great Britain in 1977 later became a senior figure at the Heritage Foundation in Washington D.C. (Jones, 2014, p.16). The well-funded Heritage Foundation took advantage of the need of cable news stations to fill 24-hour news cycles with a constant flow of ‘research’ delivered to them (Brock, 2004). Neoliberal proposals were framed as economic insights about the ‘real world’ as market reductionist think tank ‘research’ increasingly entered mainstream political and media discourses. Today news articles often quote neoliberal frames with little reference to their political affiliations and whose interests they serve (Haas, 2007).

This study explores how neoliberal proposals for transitioning to online universities were framed as ‘inevitable’ and the only ‘realistic’ option to solve financial problems at two US universities. Given the failure of these proposals at both institutions it is imperative that we understand how these frames were constructed to persuade others. To do so, we must first identify the strategies
through which neoliberal policies reduced state funding for higher education, which created an opening for funding linked to ‘reinventing’ the university.

**Tech Entrepreneurs and Neoliberal Funding**

Most public universities began to feel the impact of reductions to state subsidies during the 1980s. One study showed that funding dropped on average 20 percent per student from 1987 to 2011 (Carlson and Blumenstyk, 2012). Federal grants to states were also cut or remained stagnant while adding more targeted requirements (GAO, 2012) thereby reducing state revenue. As neoliberal policies of tax cuts and deregulation further reduced state revenue, political actors called for ‘balancing the budget’ but prioritized subsidies to industries to remain ‘competitive’ and to create new jobs. This strategic approach that allows politicians to justify underfunding public higher education and social services has been called ‘starving the beast’ (Deruy, 2016; Zelizer, 2017). Most universities made up for lost revenue by raising tuition and seeking outside corporate and foundation funding.

By the 1990s, reduced state funding combined with advances in computer technology elicited debates about transitioning to the ‘virtual university’ with some scholars arguing it was the next stage in the ‘evolution’ of higher education (Hamilton and Feenberg, 2005). Stephen Downs and George Siemens designed the first Massive Online Open Course (MOOC) at the University of Manitoba, Canada in 2008. It was not created to reduce costs, however, but to improve the quality of education. The goal was for students to experience an open and richer learning environment through online connectivity or networks among learners and teachers. Downs later differentiated this type of course as cMOOCs in contrast to low cost models of online courses that replicate the classroom through videos and online tests that he called xMOOCs (MAUT,
2018). It is variations of the xMOOC model that was widely promoted to ‘reinvent’ higher education.

Celebrity tech entrepreneurs such as Bill Gates (Microsoft) and Mark Zuckerberg (Facebook) used philanthropic funds to influence how education is done (Kovacs, 2010; Saltman, 2009; Saltman, 2010). The Bill and Melinda Gates Foundation, for example, has been central to funding the use of educational technologies to increase ‘productivity’ with less cost through online courses. Working alongside the Lumina Foundation, the Gates Foundation has helped influence higher education policy at the state level to a degree that may be unprecedented for a private foundation (Mangan, 2013). The Gates Next Generation funders have become micro-managers to quantify criteria for progress such as college-completion rates (Blumenstyk, 2013).

Dedicated to fundamentally ‘rethinking higher education’ the Lumina Foundation provided grants to underfunded universities to encourage new models of education and new certificates equivalent to academic degrees as explained on their website:

Lumina will support efforts to engage higher education systems and institutions in increasing completion rates and closing gaps in attainment by underrepresented students to increase overall degree production. These efforts will focus on systemic change in higher education systems and institutions through strategic partnerships, strong leadership, evidence-based approaches, and data-driven decision-making. (Lumina Foundation, 2015)

As public universities struggled with decreasing state support many of them increased their reliance on corporate partnerships as well as grants from Gates and Lumina foundations among others.
As deeper cuts to higher education were made during the global recession and tuitions continued to climb media outlets picked up the frame of ‘the crisis of higher education.’ Magazines including *Forbes* (Dunn, 2013) and *Time* (Ripley, 2012) touted the emergence of low-cost MOOCs as the ‘future of higher education.’ Most articles used market reductionist logic to question the costs of college in regard to workplace training (Ingersoll, 2003; Goldstein and Chesky, 2011). Rarely did journalists explore the political causes of the economic ‘crisis of higher education’ related to neoliberal tax cuts on the federal and state levels and subsidies to industries that reduced state revenues.

The Red Balloon project to reinvent higher education was launched by the American Association of State Colleges and Universities (AASCU) in 2010. Leadership positions in the AASCU include faculty from different universities, however, tech industries among its funders. The project’s name is derived from an experiment done by the Defense Advanced Research Projects Agency (DARPA) to find scattered red balloons throughout the U.S. An MIT team used computers to identify all locations within roughly nine hours, thereby illustrating the proficiency achieved through computer technology. The AASCU describes its mission as:

[A] national initiative to re-imagine and then to redesign undergraduate education for the 21st century. Public colleges and universities are facing a complex set of challenges: transformational changes in technology, reductions in funding, shifting student demographics, growth of the private sector in higher education, demands for greater accountability, and more. The Red Balloon Project will help institutions restructure to respond to the rapidly changing circumstances of the new century.

(AASCU, 2010)

Aside from the false analogy of equating higher education with computers finding scattered balloons the above statement is one example of how neoliberal
framing naturalizes reductions in state funding and corporate influence as unchangeable like ‘shifting student demographics’ when they are the result of legislative and administrative decisions.

On October 26th, 2010 a statewide workshop was held in Missouri to ‘Reimagine Higher Education’. The keynote speaker was George Mehaffy, Vice President of Academic Leadership and Change at the AASCU. In his PowerPoint presentation, Mehaffy explained the goals of the Red Balloon Project to transform undergraduate education (Mehaffy, 2010). Attendees included the Missouri Governor, administrators from various universities, faculty with expertise in online course design and representatives from for profit corporations Wiley PLUS and Pearson Education (MU, 2010) among others. The AASCU provided public education, leadership and development programs and grants to universities seeking to transform undergraduate education through computer technology and online and hybrid courses.

Other universities sought to address state funding cuts through partnerships with tech corporations. In 2013, SJSU partnered with Udacity corporation, to create a pilot program of mostly entry-level math courses. Half of those taking the courses were SJSU students along with outside students. These were not MOOC recordings of class lectures common to Coursera and edX, but educational programs designed by Udacity and faculty to teach the subject and provide feedback. Students could receive college credits with a cost of $150 per online course. While some administrators cautioned that the contract with Udacity was a pilot project, SJSU President Mohammad Qayoumi announced

As the public university that sends 8,000 graduates annually into the Silicon Valley work force, San Jose State must and will take a leading role in leveraging technology
to transform higher education with the goal of making a college degree affordable and accessible to all (Fain, 2013).

It is important to clarify at this juncture that I am not arguing against all online courses, or that higher educational institutions should not change to provide accessible, high quality education to publics. Technological innovation in higher education is not, of itself, negative and when well done can be beneficial. Rather, concern lies with how neoliberals constructed the transition to the low-cost online courses as inevitable, which foreclosed consideration of alternative possibilities to solve problems. Despite the rhetoric the driving force behind reinventing higher education was cutting costs and gaining revenue for underfunded institutions. Further, the neoliberal transition to online universities intentionally erodes disciplinary expertise and faculty control of curriculum through partnerships with tech industries, campus online programs and the loss of intellectual property rights through sales of courses produced by faculty.

Similar to the displacement of skilled artisans with factory production (Braverman, 1998; Taylor 1998; Margolis, 1998; Sims, 1999; Aronowitz, 2000; Luke, 2003), the types of low cost online courses proposed required moving from a skilled artisan model of education with tenured professors engaged in research and teaching within their disciplines to a less skilled division of labor in which someone with an M.A., Ph.D. or industry expert creates courses that are repeatedly used while graded by low cost labor and/or computer programs.

In contrast to online courses updated through current research and ongoing interaction of students with faculty in their areas of expertise, the mass production of online courses standardises and homogenises content and limits or precludes interaction with the scholars who created them. In fact, the goal of
reinventing the online university was, and is, to reduce ‘costly’ highly skilled faculty labor to lower ‘production costs.’ Similar neoliberal goals are apparent in the data infrastructures for ‘smart universities’ being developed in Great Britain to technologically transform higher education and

[...] are not just technical programs but practical relays of policy objectives to reform the sector [...] through the political project of market reform. (Williamson, 2018, p.2)

Concerns have been raised internationally about how the corporatisation of universities, or academic capitalism, erodes faculty autonomy and academic freedom as well as the viability of democracy itself (Newfield, 2008; Donoghue, 2008; Slaughter and Rhoades, 2009; Tuchman, 2009; Cote and Allahar, 2011; Ward, 2012; Connell, 2013; Giroux, 2014; Cantwell and Kauppinen, 2014). When the university is reduced to the instrumental neoliberal logic of markets and metrics, education for the public good and democratic citizenship is trivialised. The corporatisation of the university decimates one of the last institutional foundations for knowledge production that challenges political and economic elites in the defense of the public interest. As Giroux aptly states

[T]here is more at stake here than turning the university into an adjunct of the corporation: there is also an attempt to remove it as one of the remaining institutions in which dissent, critical dialogue and social problems can be critically engaged (2014, p. 58).

It is not surprising that politicians and university administrators readily adopted neoliberal proposals to address underfunded universities, but why would faculty who value scholarship and disciplinary autonomy support it? How were neoliberal frames constructed to persuade faculty of the need to reinvent the university? Through qualitative content analyses I identify how proposals to
reinvent the university were constructed to resonate with teleological cultural narratives and life experiences. Overall, the goal of this study is to provide evaluative tools for academic debates about technological ‘innovation’ and ‘progress’ and the critical assessment of such claims.

I begin by developing the concepts of framing and alienation to explain how neoliberal frames were constructed to resonate with teleological cultural narratives of inevitable progress and alienated life experiences through loss of control over markets and technology. This section is followed by a discussion of methods and comparative content analysis of the promotional materials from the Red Balloon project and Udacity. The third section looks at outcomes as policies to jumpstart the transition to online universities failed at both institutions. The paper concludes with insights gained through this study as neoliberal policies continue to be masked as promoting ‘technological innovation,’ ‘market imperatives’ and ‘efficiency’ that dismiss critical debates about alternative solutions to problems within higher education.

**Framing Resonance and Alienation**

A lot of attention has been paid to framing in recent decades by both scholars and political actors. Frames, or schemas that emphasise some points to the exclusion of others, are communicated in our daily lives through interpersonal, community and institutional interactions as well as regional and global media. Word choice in frames is particularly important as it shapes how people interpret issues (Entman, 1993). Frames are most persuasive when resonant with the cultural narratives and life experiences of audiences (Snow et al., 1986; Entman, 2004; Van Grop, 2007). National and regional political cultures can differ in dominant narratives (stories) and framing content, which is identified through repetition of highly valued and normative frames with others vilified or omitted.
Most national cultural narratives are teleological or presume a preordained outcome that history is moving toward. Teleological narratives by definition characterise historical processes as acting on their own to reach a predetermined destiny. The ‘industrial revolution,’ for instance, encapsulates cultural narratives of inevitable progress through science intertwined with expanding capitalist markets is resonant with publics especially in Anglo capitalist countries where Lockean ‘possessive individualism’ (MacPherson, 2011) and Smith’s ‘invisible hand’ of markets (1994) are cultural narratives embedded within national heritages and institutional histories. Neoliberals intentionally construct frames invoking national heritages (often with little knowledge of them) to justify opposition to government ‘intervention’ and reduce freedom to private property rights. Consider the names of the Adam Smith Institute in Great Britain and the Heritage Foundation in the US.

The resonance of teleological frames is amplified through life experiences of alienation or loss of control of the forces shaping the lives of publics, especially through national and global markets. Smith’s ‘invisible hand’ of markets encapsulates what Marx called the ‘fetishism of commodities’ in which social relations involved in producing and selling commodities (markets) are reified as separate concrete entities beyond control. Marx proposed that the dynamics of capitalism alienates laborers from the material world and the products they produce, which is concealed by the organization of the political economy (Marx 1971, p. 65). This results in the experience of alienation or the mystification of social relations that constitute market forces.

Alienation permeates life experiences as public institutions are increasingly informed by neoliberal logics and privatisation (Boggs 2000; Thorpenberg 2005). Today alienation is not just experienced through national and global markets. Rather, it is ‘universal’ (Harvey, 2018) and too often expresses itself
both as a nonreflective fatalism in the realm of everyday life and in the more explicitly articulated theories of technological determinism [...] (Burris, 1988, p. 38).

It is within the contexts of teleological cultural narratives and alienated life experiences that our stories take place.

**Methods**

We return to the question: How were neoliberal frames constructed to persuade faculty of the need to reinvent the university? Below I identify frames -or the focus and boundaries of content- and themes -concepts constructing frames- through qualitative content analyses of proposals for ‘reinventing’ higher education in each case. This methodological approach, which is also referred to as ethnographic content analysis, does not refer to participant observation, but to reflexively identifying frames and themes in light of the entire text in contrast to quantitative content analysis (Altheide and Schneider, 2012).

The MU case was selected because I am a faculty member at this university and I was on MU’s Faculty Council and Executive Committee (EC)) from 2010-2012, the time period in which the Red Balloon project presentation took place and administrative efforts were made to increase the production and teaching of online courses. I attended EC meetings that included administrators when topics of expanding online education were discussed. To clarify, I was not doing participant observation research at that time. A few statements made by administrators and some EC members have been (anonymously) noted unless the statements were public. Documents are cited to support claims.

The second case at SJSU was selected due to the extensive media coverage of the failure of its partnership with Udacity in 2013. In addition to documentary analysis I consulted a faculty member at SJSU (noted in references) to gain a
clearer understanding of developments in 2013 from a faculty perspective.

Each university sought to jumpstart the reinvention of the higher education through different strategies and within distinct regions and political cultures. Documents for both cases consist of small but representative samples of promotional materials that include in both cases one article promoting the reinvention of higher education along with one other type of promotional source. Mehaffy’s PowerPoint presentation in Missouri and Thrun’s statements transcribed from a video session at a San Francisco conference are the second sources. All documents analysed are cited and available for public review. We begin with: 1) the Red Balloon Project PowerPoint used in Mehaffy’s presentation to the MU administrators and the Governor combined with; 2) Mehaffy’s article in the AASCU’s Public Purpose magazine titled ‘Reimagining Undergraduate Education’ (Mehaffy 2012).

**Red Balloon Project**

The political culture of the US Midwest (and South) is more conservative than other regions. Missouri has a good number of farmers and small towns and is known as the ‘show me’ state emphasizing its pragmatism. The University of Missouri (MU) is among the lowest funded public research universities in the US. State funding notably decreased for public higher education after the election of a Republican majority to the legislature in 2001. In fall 2010, the University of Missouri experienced dramatic increases in freshmen enrollment, which was the largest in the university’s history. MU administrators were looking for ways to cut costs while admitting more students to increase tuition revenue. Enter the AASCU and the Red Balloon Project.

**Content Analysis**

The first two frames in these documents are intertwined:
1) Technology changes everything therefore higher education must reinvent itself for the 21st century.
2) Given technological innovations we will lose out to market competitors and become extinct if we do not change.
Examples of thematic construction of these frames include references to an archaic past: our university model was created in the 11th century, operates on a 19th century agrarian calendar, to prepare our students for life in the 21st century; technology has led to the unbundling of the entire higher education enterprise; students of the 21st century are ‘digital natives’ who learn in different ways; state funding for higher education will never increase in the future, if we must do more with less, then we must do more differently, reinventing the university will require changing the role of faculty and the nature of expertise.
A teleological Pony Express metaphor of progress through technological innovation and markets concludes the presentation:

Is Our Pony Express Moment Coming?
In March 2011, California’s new governor called a morning news conference to make a stunning announcement: The Apollo Group’s University of Phoenix [an online for-profit university] will pay $2.3 billion to buy the California State University system [...]

The above Pony Express scenarios encapsulates the first two frames and strongly resonates with ‘industrial revolution’ cultural narratives of progress through technological innovation as well as Smith’s (1994) ‘invisible hand’ of markets beyond the control of individuals. The focus is on being market and technologically ‘savvy’ to out compete rivals.

A third frame is:
3) Elite universities must come out of the ‘Ivory Tower’ to provide higher education to more students.
Themes include: no more elitist ivory tower exclusion; faculty are resistant to change; higher education must be restructured to provide access to more people at less cost; can we work with industries to redesign undergraduate education and curriculum to be more accessible?

Notice how the ‘elite’ faculty frame equates resistance to neoliberal proposals with denying educational access to students. This frame communicates a populist ‘anti-elitist’ cultural narrative particularly resonant in rural areas. Such framing erases, however, the post-WWII expansion of public higher education through the GI Bill in the US (although mostly for Euro-American male veterans) and state subsidies to public universities that lowered tuition costs. Increasing government funding for public higher education is unthinkable in this neoliberal universe.

Response
On December 1st, 2010, roughly six weeks after the statewide workshop with the Red Balloon PowerPoint presentation, the Provost appointed a new Interim Vice-Provost of E-Learning by stating

Having distance education as a separate enterprise worked well 10 years ago, but the environment has changed. Currently, electronic communication is being used in a vast majority of courses and will be used eventually in all courses. (Basi, 2010).

He also organised voluntary faculty meetings to ‘reimagine’ higher education. The Dean of Arts and Sciences made financial offers to both departments and faculty to create of online courses, degrees and new certificates. By 2013 MU had invested 2.5 million for 16 online degree and certificate programs and 25 new online undergraduate courses (Mizzou Online, 2013). Some of the online courses were created by faculty members, used repeatedly and graded by graduate students, but were priced the same as on campus courses.
Some FC members did adopt Red Balloon project frames and themes communicated that had been communicated through administrators. For example, in response to an EC member who questioned the proposed reinvention of higher education another EC member whispered to a colleague ‘‘faculty just don’t like change’’, while still another argued ‘‘shouldn’t we provide access to underserved populations?’’ Still other EC members were willing to promote online course creation seeing it as the only way to get ahead of technological and market forces and maintain control over curriculum. The response of faculty at California’s SJSU was more skeptical.

**SJSU and Udacity**

The San Francisco Bay Area is known for its progressive political culture. Silicon Valley is located in South San Francisco and is home to high tech corporations including Apple, Samsung and Google. The region emanates a reverence for celebrity entrepreneurs from Steve Jobs to Bill Gates. In 2010 California elected Democrat Jerry Brown and a liberal Democratic majority. Having been particularly hard hit by the Great Recession funding was cut to the state’s extensive higher education system as tuitions increased. Qualified applicants were being turned away from public universities. Politicians and administrators were desperate to solve problems of educational access given low state revenues.

I again use qualitative content analysis, described above, to identify dominant frames and themes communicated during a conference session with Sebastian Thrun that included California’s (then) Lieutenant Governor, Gavin Newson (only Thrun’s statements are analysed) at a tech conference titled DISRUPT in San Francisco in 2013 (TechCrunch Disruption, 2013) combined with a *Forbes* magazine interview with Thrun on *The Future of Education* (High, 2013).
Content Analysis

The first frame is:

1) Use creativity and technology to disrupt and create a new type of higher education.

Themes include: People think the there is only the ‘old model’ of education; we need to create a whole new model of education; current educational systems treat students like drones; part of the problem is faculty resistance to change; faculty ask, ‘what’s going to happen to me if there is a new mode of education?’

Note the resonance of concepts of ‘disruption’ ‘creativity’ and challenge to traditional institutions resonant within a progressive Bay Area political culture that has long valued creativity and challenged traditions.

Another frame is:

2) Democratisation through accessible online higher education for all people.

Themes include: Udacity provides higher education to people of all ages and incomes; online courses provide lower costs and accessibility for more people including those who don’t get admitted to universities due to demographic and financial barriers; half of our classes are made by people who aren’t traditional professors; industry partners create course, sometimes by young people who wouldn’t even be eligible for professor positions. Such frames and themes are highly resonant among people within a Bay Area political culture that values democracy, equality, and inclusion.

The third frame is:

3) Higher education is not providing the technological skills necessary for employment in the twenty-first century.

Themes include: universities are not providing for new educational needs; provision of life-long learning skills are necessary in the twenty-first century; computer science skills are important to the workforce; [Students] learn the
most through cutting-edge tech skills from experts in industry; some technical fields are more suitable to online learning than disciplines like philosophy that requires discussion. Here we have frames proposing that technological training through online courses is imperative for future employment and market competitiveness.

Thrun does note that technological training is better suited to online education, although this theme disappears in the selling of an entirely new higher educational model regardless of course content. The framing of higher education as taught by ‘industry experts’ erases the need for cultural, political and historical knowledge essential to informed citizenship and political and social occupations.

Response
At SJSU some faculty did work with Udacity to create and teach courses produced through their partnership. There was more resistance among faculty at SJSU than MU, given the public announcement of the partnership to transition and because SJSU had a faculty union, the California Faculty Association (CFA), which was skeptical of the partnership with Udacity and provided alternative frames to challenge administrative proposals. Union representatives criticized the administration for ‘private rather than public solutions’ to economic problems with one professor stating

    Let’s not kid ourselves […] Administrators at the SJSU are beginning a process of replacing faculty with cheap online education’. (Kolowich, 2013)

Discussion
Despite differences in regional political cultures in Missouri and California, the Red Balloon Project and Udacity shared common neoliberal messages that
erased alternatives, foremost public ones, for addressing financial problems of the universities. In both cases frames were constructed to resonate with teleological cultural narratives of an archaic university not keeping up with a technologically innovative future. The frames in both cases were masked as market imperatives and progress resonant with teleological cultural narratives of modernity’s march forward to the 21st century ‘industrial revolution.’

In Missouri technological innovation to beat market competition was resonant with an entrepreneurial political culture as were frames of reinventing higher education to lower costs and at the same time attack elite ‘Ivory Tower’ professors. Thrun’s frames, on the other hand, were resonant with a hip Bay Area version of market reductionism emphasising democratisation through the creative disruption of for-profit corporations that can provide global education through low cost online courses. Similar to the Red Balloon project, Thrun erased the role of universities in educating rather than training the public as well as the post-WWII expansion of higher education access through state subsidies that reduced tuition. Neoliberal proposals for transitioning to the ‘inevitable’ online university once implemented, however, failed at both institutions.

**Outcomes**

Despite MU’s increased production of online courses they were not being filled. Apparently, no one asked the ‘customers’ if they preferred online courses. As a faculty member at MU one student asked me why she should pay the same amount for an on-campus course that was a video graded by a computer? Discussion of the ‘inevitable’ 21st century university and the frames of ‘reimagining higher education’ slowly disappeared. The failure to fill online courses and loss of revenue was not made public. MU continues to have an online program, as many universities do, but the transition envisioned in the
wake of the Red Balloon project presentation never materialised.

Further, the Red Balloon project’s threats about competition with for-profit online universities grossly misrepresented real-world outcomes. In fact, in 2010 the US Government Accounting Office (GAO) was investigating for-profit colleges for fraudulent practices (GAO, 2010). Prior to 2008, research indicated that only 22 percent of the first-time, full-time bachelor’s degree students at for-profit colleges graduated within six years compared with an average of 55 percent at public institutions and 65 percent at private nonprofit colleges. The for-profit colleges investigated by the GAO included the Apollo Group’s University of Phoenix mentioned as a competitor.

By 2016 the University of Phoenix was losing thousands of students, the Apollo Education Group’s shares plunged by 75%, and it was ultimately sold to private investors (CNN Money, 2016). The Apollo Group never bought a financially strapped California State University system as proposed. In fact, the unthinkable happened. In 2012 Governor Jerry Brown was able to get Proposition 30 passed in which the Californians voted to increase taxes to fund higher education.

Perhaps the most well-known example of the failure of the technological ‘disruption’ of higher education was Udacity’s partnership with SJSU in 2013, which ended due to lower completion rates among students in online courses than on-campus ones. By 2014, the university’s partnership was severed with Udacity except for three online courses available only to SJSU students at the regular tuition cost (SJSU, 2014). The Faculty Senate sanctioned the SJSU president for his actions and he soon left with a considerable pension (Rudy, 2016).
Why did proposals driven by the ‘inevitable’ forces of technology, markets, and ‘progress’ fail? Prior to 2010 peer-reviewed research showed that drop-out rates were 10-20% higher with online courses than on-campus ones (Carr, 2000; Moody, 2004) and identified problems with retention rates especially among students who were not well prepared, and the use of technology was a problem (Smith and Ayers, 2006). Success for this population requires special services (Rovai, 2003; Ludwig-Hardman and Dunlap, 2003; Simpson, 2004) that cost money.

Research further indicated that connectivity to and the support of teachers increased student motivation and performance (Chen and Jang, 2010). Thrun had attracted students to a Stanford course about artificial intelligence who were mostly well educated and had access to technology. In fact, a 2013 survey of active Coursera MOOC users in more than 200 countries showed that the majority were highly educated (over 40% had post graduate degrees), employed, male and had higher incomes especially in nonwestern nations (Ezekiel et al., 2013). Such students have very different profiles from those who attended SJSU, which serves working-class and low-income students as do other state universities in California. In addition, some students do not have access to high quality technology and/or quiet personal spaces in which to study.

Research about high attrition rates with online courses was not mentioned in the promotions of the 21st century online university. One MU faculty member who questioned the transition to online courses was characterized as a twenty-first century Luddite resistant to technological change and concerned about losing faculty jobs (both themes that were included in the Red Balloon Project presentation and Thrun’s promotions of Udacity).
Other actions contributing to policy failures included privileging ‘entrepreneurial insights,’ especially tech entrepreneurs, as credible while devaluing research produced through the social sciences and humanities that study class, race and gender differences to better understand the lives of those ‘unprepared’ students. Aptly stated by the vice-president of the SJSU Faculty Association, Preston Rudy, administrators should ‘pursue something based on the evidence rather than the advertisement’ (Rivard, 2013). Notably, this problem is not just in the US. Other nations that attempted to transition to low cost online courses as part of the marketization of higher education have been experiencing low retention rates. In 2017 the Australian government, for example, called for changes to improve the retention rate of online university courses that averaged 44% compared to roughly 77% for on-campus courses (O’Keeffe, 2017).

To his credit, Thrun eventually admitted that Udacity’s MOOCs were not successful given high attrition rates stating

> We were on the front pages of newspapers and magazines, and at the same time, I was realising, we don’t educate people as others wished, or as I wished. We have a lousy product. (Chafkin, 2013)

Udacity moved in the direction of providing high tech training and awarding Nanno degrees linked to jobs. Thrun stepped down as Udacity’s chief executive in 2016 and went on to become CEO of Kitty Hawk corporation working on the creation of flying cars. Corporate partnerships with universities who provide online courses and educational materials are ongoing. Despite the fact that neoliberal policies often fail, as they did in these two cases, historical memory is short in academia and frames promoting futuristic visions of higher
education, which cost less and bring in revenue, continue to have resonance at cash starved universities.

**Conclusion**

There are two important insights we can derive from this study. The first is the recognition of how the transition to low cost online courses eviscerates the number of tenured faculty, thereby weakening the institutional basis for autonomous knowledge production in the public interest. The neoliberal corporate model centralises control in the hands of people who lack expertise in differing disciplines and whose market reductionist goals promote technological solutions in place of efforts to create high quality education through which students can succeed. Those who work and study at universities should reflexively control technology in contrast to having technological transformations control us through neoliberal design.

Secondly, neoliberal framing has saturated educational discourses devoid of the recognition that they are derived from right-wing ideologies that seek to privatize education and erase public obligations to the common good. Given both goals and policy failures it is essential to demystify neoliberal policies masked as pragmatic solutions to financial concerns. The problem is that market reductionism elides the complexities of social life that ‘interfere’ with utopian neoliberal models of how the world should work. Too often administrators and political actors want a quick fix to complex problems devoid of the needed research to understand their impact and unintended consequences.

In the cases studied in this paper failed policies were costly through the demoralising effects on students who couldn’t succeed in online courses as well as financially to the institutions. If online education is to be fairly and effectively evaluated as an alternative (or adjunct) to existing educational
practices, consideration of policies must be free from teleological narratives and commercial interests to secure decision making that is both critical and effective.

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