

**Outsource U.:
Globalization, Outsourcing,
and the Implications for Contingent Academic Labor.**

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Over the last 20 years, as the AAUP's Rich Moser and others have noted, the academic labor market has changed dramatically in the United States. Statistics show a steady, long-term trend that universities are making to shift much of the basic teaching work of the university from traditional tenured faculty to a new class of "adjunct," "part-time," or "contingent" academics. Meanwhile university administrators have been slowly engaging in an effort to restructure the university along corporate lines of governance: centralizing decision-making authority in their own hands and eroding the traditional structures of shared governance by which faculty had a say in the decision-making process. These parallel trends can be seen as an extension of the corporate, or business model into the academic world. In an age of shrinking state budgets and rising demand for higher education, the corporate language of "efficiency," "streamlining," and "flexibility" carry weight with policy makers and administrators who determine structural priorities for higher education. In fact, the shift from the traditional tenure model of academic labor to the contingent academic labor model is itself a form of outsourcing. As John Hess of the California Faculty Association has argued, tenured faculty may be seen as employees of their universities, but contingent faculty are more accurately employees of the corporate university—"State U Inc." This has implications for the organizing of contingent academics as well as for a larger movement of contingent workers, globally.

What, then, are the long-term implications for the contingent academic labor movement? More specifically, should we assume that the traditional academic labor system is likely to be restored any time in the near future? If not, how should we organize contingent academics to meet the reality of corporatization?

Just as the 1990s witnessed the growth of “temporary” employment in the corporate world, higher education has followed suit and created a permanent class of “temporary” faculty who provide college administrators with lower labor costs and greater “flexibility.” Today we are witnessing a new trend in the corporate world: the so-called “outsourcing” or “offshoring” of work as a means to cut labor costs. While this has been happening to blue collar workers for years, the digital revolution has enabled employers to shift so-called “knowledge work” across borders. For the first time in recent memory, white collar workers are being hit by the very same forces of globalization that blue collar workers have had to contend with for years. The outsourcing and displacement of knowledge workers in today’s global economy may be a harbinger of things to come in the academic world. Given this very real possibility, the work of contingent academic organizers to reach across borders, as COCAL has been doing, must continue and expand. For the logic of global capitalism points to the internationalization of labor markets, and academics must not assume that they will be immune to this logic.

Such scenarios are not as conjectural as they may seem. Indeed, during the current budget crisis in the California State University (CSU) system, administrators have been exploring ways to outsource certain coursework to lower-paid contingent faculty at nearby community colleges. In some cases, laid off CSU contingents are being

encouraged to apply for these community college positions. In the future, these faculty may find themselves teaching the same courses for half the pay. Therefore, in addition to cross border organizing, we must explore ways to organize contingent faculty across higher education systems.

A recent article by *Washington Post* business columnist Steven Pearlstein sketched out the way in which a digitized corporate university might operate and suggested why this model would appeal to Wall Street. He touted a University of Phoenix-model education in which a few well-paid professors would “star” on videotaped lectures that could be distributed online while lower-wage adjuncts and teaching assistants would moderate student discussions, administer exams, and assign grades. He complained about a hidebound higher education “establishment” that had proved reluctant to adopt such “productivity and efficiency reforms” as these, but noted that there is “finally enough financial pressure on public colleges that they have no choice but to consider making fundamental changes in the way teaching is organized.” Pearlstein wrote that contingent faculty were precisely the sort he thought the new system would increasingly rely on. “Full[-time] tenured faculty are expensive,” he said, “and there are probably too many of those, with not enough of the *cheaper kind* [emphasis added] that, when armed with great technological teaching tools, can provide some pretty darn good education to most students.” Would such “reforms” result in fewer full-time tenured faculty, he asked? “I would hope so,” he concluded. That’s called a productivity gain.” And those

professors who didn't fit into the new productivity model of education? They would share the fate of "makers of buggy whips" after the invention of the automobile.¹

There are several trends in the university that make higher education more susceptible to outsourcing than previously. These include the shift to contingent academic employment, the digitization of the university, the corporatization of the structure of higher education, and perhaps most importantly, the structural budget crisis that exacerbates all these trends.

1. The Growth of Contingent Academic Employment:

Over a little more than a decade, the nature of academic employment has changed dramatically. Tenure-track positions at colleges and universities, once the norm, now account for less than half of all higher education faculty nationwide, according to numerous studies. The increasing shift to a contingent academic workforce provides administrators with a "flexible" labor force that can be more easily downsized in recessionary times or, perhaps, outsourced in favor of lower-cost alternatives. The use of contingent faculty, as the AAUP has noted, also erodes shared governance in the university, and this is a primary means by which faculty might resist some of these trends.

2. The corporatization of the university:

Over the past few decades, power has gradually shifted in the governance of the university. Shared governance has been eroded and in many cases is being gradually

¹ Steven Pearlstein, "Higher Ed's Stubborn Resistance," www.washingtonpost.com.

replaced by a top-down managerial structure in which faculty are often consulted *pro forma*, but in which they have an increasingly limited voice in the actual governance of the university. In the future this means that fundamental structural “reforms” in the university may be implemented despite the opposition of the faculty.

Increasing fiscal pressures on higher education will also lead to greater efforts to privatize or partially privatize university revenue streams. As the AAUP’s Linda Ray Pratt has noted recently, “the era of steady expansion in higher education that began after World War II seems to have finally come to an end.”² Pratt foresees a “prolonged fiscal squeeze” caused by falling public revenues and higher costs. This trend is confirmed by recent studies showing a steady decline in the share of state revenues going to public higher education nationwide.³ Meanwhile, cash-strapped public colleges have been raising tuition and fees in recent years to make up for shortfalls in state funding. Indeed, a 2003 study by the College Board found that average tuition fees at public colleges and universities increased 47% nationwide from 1992-2002. As student fees go up, the market serves to ration higher education, limiting access to those who have the means to pay on what is increasingly becoming a fee-for-service basis.

As State support for higher education flags in the face of fiscal crises and economic recession, we are likely to see efforts to “re-engineer” higher education along corporate lines. A recent article in *Business Week* magazine outlined some of the trends

² Linda Ray Pratt, “Will Budget Troubles Restructure Higher Education?” *Academe*, Jan-Feb. 2003, pp. 33-7.

³ Figures according to State Higher Education Officers and US Department of Education. Jeffrey Sellinger, “The Disappearing State in Public Higher Education,” *Chronicle of Higher Education*, Feb. 28, 2003, pp. A22-24. Michael Arnone, “State Spending on Colleges Drops for the First Time in 11 Years,” *Chronicle of higher Education*, Jan. 16, 2004, pp. A24-7. The study can be found at <http://coe.ilstu.edu/grapevine>.

in the corporate restructuring of higher education. First will be the trend toward more centralized management of universities and a weakening of shared governance. Without the centralized authority enjoyed by corporate executives, university administrators say they will be unable to, in *Business Week's* phrase, “reinvent” the university to meet the fiscal downturn. A major barrier to the restructuring of the university along corporate lines, says *Business Week*, is the “decentralized power structure” that exists at most institutions of higher education.⁴

Conservatives, responding to pressure from parents, have begun to call for restrictions on the rise in college costs. One result of this convergence of financial pressures has been a turn to private sources of funding to make up for budget shortfalls. This trend can already be seen in the increase in the share of state college and university budgets that come from private gifts and grants, which have almost doubled in the last 20 years.⁵ And, as private donors become a more prevalent part of public higher education, the increasing privatization—and corporatization—of “public” higher education will be the result.

3. The rise of the digital university:

As David Noble and others have shown, administrators have been looking to the digital alternative as a means of delivering an educational “product” to an educational “consumer” at a lower cost. While the costs of doing this on a large scale still remain

⁴ William C. Symonds, “Colleges in Crisis,” *Business Week*, April 28, 2003.

⁵ Shweta Govindarajan, “Cost of College Up Over 40% in 10 Years, Study Finds,” *L.A. Times*, Oct. 22, 2003, p. A16. During this period, the percentage of state colleges and universities’ budgets that came from private grants and gifts rose from 2.5% in 1980 to 4.8% in 2000. The share that came from tuition increases went from 12.9% in 1980 to 18.5% in 2000.

prohibitively high, there is no reason to expect that the costs of both hardware and software that will enable universities to deliver lectures and other course materials on demand and on-line will not make this alternative feasible in the future. Indeed, the University of Phoenix model of online education, while still in its infancy, is the object of intense scrutiny by University administrators. In several respects the University of Phoenix model would facilitate offshoring: faculty are at-will employees which erodes academic freedom and content is streamlined and standardized by administrators who have essential control over curriculum content and delivery. In such a system, a few academic “stars” may serve as marquee drawing cards, but the majority of academic work is done by relatively low-paid “knowledge workers,” whose jobs are subdivided and downskilled. The globalization of knowledge work requires the digitalization of information, and the more digitized the university becomes the more susceptible we are to the reorganization of academic work. As economist Gary Hufbauer has said of the potential shifts that digitization brings to the world of knowledge work: “If your job can be digitized, it can be moved.”⁶

One alternative might be for faculty activists to oppose the move to online instruction, but this seems unlikely. It is imperative, therefore, for faculty to retain control over the digital content of online courses. Contingent faculty are at a disadvantage in the struggle to retain control of digitized course material, because they often lack both the organization and the authority within university power structures to demand such control. Organizing contingent faculty in order to improve their situation

⁶ Peter G. Gosselin, “Nation Losing More Than Unskilled Work,” *L.A. Times*, Oct. 20, 2003, pp. C1, C5. Marla Dickerson, “Offshoring Trend Casting a Wider Net,” *L.A. Times*, Jan. 4, 2004, pp. C1, C4.

not only in terms of pay equity and job security, but extending to them a role in shared governance in the university so that they have greater control over their own curriculum must be a key goal of the contingent academic labor movement.

4. The Structural Budget Crisis:

In addition to issues internal to the higher education system, we also need to consider the long-term impact of external factors, such as the economic trends which may adversely affect public investment in higher ed. Indeed, the fiscal issues facing universities are the most serious factor shaping trends in academic labor. Higher education today faces an unprecedented fiscal crisis unlike any seen in the last half century. The fiscal landscape faced by universities in the next ten years—higher demand for education combined with shrinking funding—is unlike any period since World War II. Indeed, there are ominous signs that fiscal pressures may be the most important factor propelling the call for “reform” of the higher education system. In this period of crisis, political leaders as well as university administrators will look for ways to deliver “content” for lower cost—similar to the drive for greater “productivity” that has driven high tech work offshore.

California’s current budget crisis, the worst since World War II, is a good case in point. Not only is this year’s \$14 billion state budget shortfall unprecedented in size, but the state has locked itself into a debt plan that will require the diversion of tax revenues to pay off state bonds for years to come. Modest proposals to raise taxes on the wealthy have had little traction in the state legislature, and would require massive public mobilization to realize. Governor Schwarzenegger is relying on a program of providing tax and regulatory relief to business in the hopes that this will spur sufficient economic

recovery to make up for current budget shortfalls. The problem with this strategy is that there are growing signs that there is a structural crisis on top of the current cyclical downturn. Today's "jobless recovery" (itself an outgrowth of the offshoring of high-tech knowledge work) suggests that there will be no quick return to the halcyon days of the mid 1990s, when public officials could count on healthy growth in state revenues. California is not the only state facing serious budget crises. States in every region of the country face a combination of lower revenues, higher costs, and political pressures to restructure higher education along corporate lines. State budget deficits combined with a structural shift in funding at the federal level will place education and other public services in a severe squeeze over the next decade, according to U Mass-Amherst economist Gerald Friedman. Nationwide, state tax cuts alone at the have lowered revenue an average of 10% since the 1990s. Moreover, states are unlikely to see any significant budget relief from Washington DC, where war, ballooning military spending, and tax cuts for the wealthy will combine to squeeze federal spending for social and educational programs for the foreseeable future.

The implications of this for hiring patterns in higher education are that university administrators will undoubtedly be looking for ways to increase "efficiency," cut marginal costs and increase their "flexibility." In other words the very pressures that gave rise to the growth of contingent academic labor in the past decade are far more likely to increase rather than decrease in the next decade. In this climate contingent faculty organizing cannot afford to be apolitical. We must forge links with other progressive public interest groups and labor unions to struggle for a change in society's misguided social priorities. As educators, we must inform the public about the social

costs of war abroad and the prison-industrial complex at home. In short, we must be a *social movement* of contingent academics.

Conclusion: Implications for Contingent Academic Labor

Movements to organize contingent faculty are at the forefront of the fight for the soul of higher education as we know it. When contingent faculty organize and fight, they fight not just for themselves, but they fight to preserve the dignity and relative freedom of the profession from both market and political pressure. Their fight is against what historian Harry Braverman called “the degradation of work,” and as such contingent faculty organizers must maintain a global perspective. As recent trends in the “offshoring” of white collar work show, knowledge work is not immune from the pressures of globalization. Indeed, once course content is largely digitized, it can be generated anywhere and delivered anywhere on demand. In an era marked by structural fiscal crises in the public sector, when lawmakers will insist on greater “flexibility,” “productivity,” and lower costs, it does not seem far-fetched to imagine the political appeal of a standardized, digitized curriculum delivered online for a fee and administered by a stable of low wage Ph.D.s. If we fail to recognize the potential threat this represents to the quality of higher education, not to mention the quality of life for faculty, then we will be ill-prepared to meet the challenges of organizing in the 21st century.

Clearly, this is no time to panic. The scenario painted here may not come to pass for many years, if at all. But it is clear that in light of current realities the movement for organizing contingent faculty should consciously pursue several interrelated objectives.

We must first continue to organize unorganized faculty. In the United States, this process is well underway in some states and has barely begun in others. The California Faculty Association, the collective bargaining unit for faculty in the California State University system, has made a concerted effort over the last decade to organize contingent faculty. The CFA has built a strong statewide lecturer council, made up of representatives from all of the system's campuses and is broadening its base of lecturer activists at the campus level. Though they still encounter resistance from some tenured members of the union, enough of the union has seen the wisdom of organizing contingent faculty and put the union's resources behind the effort. The level of lecturer activism and organization has made them a force to be reckoned with in CFA and the result has been an invigorated union and major strides in job security, pay, and working conditions for contingent faculty in the CSU. An organizational structure that fosters solidarity between tenured and contingent faculty has been absolutely crucial to the success of CFA, and can be seen as an example of a organizing strategy that can succeed in organizing and mobilizing previously unorganized faculty.

The CFA model, successful as it has been, may not be applicable to all contingent conditions, however. Some faculty unions may not support the organizing of contingents, and the resources may not be available for such efforts. In some states, such as Ohio, part-time faculty are prohibited by law from unionizing. While it would undoubtedly be easier to organize contingent faculty with better labor laws, we must remember that historically, legislation beneficial to workers—whether it be the right to organize or fair labor standards—came about as a *result* of workers organizing and using its organizational power to push the political system. We must seek innovative ways to

organize faculty in states where labor laws make it difficult to do so. One such innovative strategy, called “open source unionism,” is being attempted at Wal-Mart, a notoriously anti-union workplace where the vast majority of workers are part-time. At some locations where overt unionizing has been thwarted, workers have formed Wal-Mart workers’ associations independent of management. Such “associations” have two purposes: first, they give workers an independent, collective voice in the workplace and second, they establish a culture of independent worker organizing where none existed before. Such experiments, if they are nurtured by unions, may form the foundation for future successful union organizing. In higher education, an organization such as AAUP can serve as a vehicle for the formation of these pre-collective bargaining faculty associations and a link to other such organizations nationwide.

We must also continue to build a strong academic labor movement across borders—of states, nations, and higher education systems. It is in these two respects that COCAL has done such pioneering work. The example of Campus Equity Week here in the United States has raised the visibility of the issue of contingent faculty nationally. Campus Equity Week has been successful not only because it has raised the visibility of those invisible faculty whose work provides the backbone of the teaching in many institutions, but also because it has helped many contingent faculty to realize they are not alone. Those of us involved in the contingent academic labor movement must build on the Campus Equity Week idea. Whichever direction we take Campus Equity Week, one thing is certain, the organizing idea must be national and international in scope. The power of Campus Equity Week drew in large part from the fact that it was an international event.

An extremely important constituency that contingent academics must connect with are the students. Unlike widget makers, our work involves regular communication with human beings, and we must make our students aware that our working conditions affect their learning conditions. This past year, the California Faculty Association mobilized thousands of students across the Cal State system to attend rallies on individual campuses, a massive protest in Downtown Los Angeles, and write and call their state legislators as a key part of our campaign to “Save the CSU” from Governor Shwarzenegger’s proposed budget cuts. The campaign raised student awareness, attracted media attention, and ultimately forced the state legislature to restore millions of dollars in funding for the CSU. As academics we can seek opportunities in the classroom to raise the issue of the growth in contingent work throughout the economy, touching on the ways in which this trend affects our students. Students are well aware of how the disappearance of stable jobs in their own communities affects their career choices, and they can also make the connection to its effect on their learning conditions.

It is vitally important that we continue to build connections with other groups of contingent workers, as COCAL has done through its coalition with the North American Alliance for Fair Employment (NAFFE). These efforts to raise the alarm about the growth of contingent employment and its effect on working people and the economic well-being of our society as a whole are a vitally important component of the overall strategy to build a movement that can reverse these pernicious trends.

Perhaps most importantly, we must join with other groups in society to forge a social movement that links the struggle for the future of public higher education with a rethinking of our social priorities away from war and towards social justice. It is clear

that the problems of academic labor are indicators of broader trends in society. The metastasizing of the market-driven, corporate dominated model of social organization into all realms of society is one of the most serious challenges we face. We must articulate and defend the idea that markets in and of themselves may not be the best guarantors of academic freedom. It is also imperative that we have a frank and open discussion within the university about the long-term social costs of a permanent war economy, for the more we spend on war, the less we have for social needs.