

## **An Open Letter to the University Senate**

### **Neoliberalism, PHEEIA and the University at Albany (SUNY) Senate Meeting of May 10, 2010:**

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[and yes, really, a University Senator (and to those from Arizona, yes a legal immigrant)]  
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At the May 10, 2010 University Senate meeting, I was prevented by the president of the University Senate from completing my statement against approval of the ill-named Public Higher Education and Empowerment Innovation Act (PHEEIA). He justified such action based on his opinion that my attempt to link PHEEIA to broader issues of a neoliberal strategy was irrelevant to the vote before the senate. While still trying to finish my brief statement, he encouraged approval of a quick motion limiting all statements on the matter to no more than two minutes, which was convenient since with the new rules quickly approved after I started speaking, my time had expired.

As a result, my efforts to put PHEEIA in broader structural and historical context of a neoliberal attack on public institutions and the further commodification and corporate control over all aspects of social life were effectively quashed. In addition the Senate president questioned the legitimacy of my speaking up by asking in front of all those in attendance, “Sir, are you a University Senator?”

I find this troubling on many levels and interpreted it as an overt strategy for suppressing alternative thought and delegitimizing “by othering.” After being at the University at Albany for 10 years, I could not but find it profoundly ironic, to say the least, that such a question ---“Are you a university senator?” that is, “Are you really one of us?” – would be formulated at the start of the very same session in which the Senate also voted to revise the Globalization Studies Major, a faculty-initiated, “resource-neutral” major I contributed to create, shepherd and lead for many years. Apparently, like millions of immigrants with and without papers, my free and cheap labor is acceptable, but my right to speak is not.

The May 10, 2010 meeting underscored how poor real debate on a serious like PHEEIA took place in the Senate: More time could be spent and interest displayed on discussing the minutiae of how to tweak undergraduate S/U grading than on the implications of PHEEIA for the future of public higher education in New York state.

Perhaps now in the privacy of your own office or home, you might feel more inclined to engage in critical thinking in such dearth at the May 10, 2010 Senate meeting. Ensconced in a safe space, where no one expects you to publicly exercise your right to an opinion or encounter the ancient democratic practice of parrhesia, a spark of curiosity or its vestiges, might lead you to read on as to why I believe that PHEEIA needs to be framed within a broader structural and historical context of neoliberalism, a key point I was not able to make.

Here is some of what I was hoping to say.

### **PHEEIA and the Neoliberal Strategy to Reorganize Class Power**

I believe that PHEEIA is part and parcel of the neoliberal strategy of deregulation and privatization that has been applied over the past three decades in other parts of the world as well as the US. I will not mince words. PHEEIA is an effort to destroy and replace the institutions born out of the post-WWII labor-capital

compromise that, in the US and many other parts, gave rise to the so-called welfare state. In order to restore profitability, neoliberal strategy seeks to destroy those institutions and efface the foundational logic of such social arrangements from the public mind. It is a strategy that aims to replace these with institutions and modes of thinking that can better and more fully serve capital accumulation and the profit motive. This entails reforming, reorganizing and recalibrating the state and public institutions like the State University of New York.

This is a vast undertaking. After almost 40 years of such efforts, neoliberalism shows discernible patterns and outcomes that have been studied in detail. I believe that such patterns and outcomes need to be considered when assessing the implications of PHEEIA for the University at Albany (SUNY).

Here are only a few of them.

### **Create a crisis, then manage the crisis to destroy public institutions: “disaster capitalism”**

As an economist with an interest in economic development and political economy, I have spent the last two decades studying the impact of neoliberal restructuring on the economy, politics and society. Focused on Latin America, and paying special attention to Chile, the “pioneer” in neoliberal restructuring, I find striking similarities between the experience of how neoliberalism was imposed in Latin American and how PHEEIA is being deployed in the SUNY system.

Many scholars including David Harvey, have indicated that neoliberalism must really be understood as a system of “crisis creation and crisis management” to promote privatization, deregulation and liberalization of the economy and the transformation of power relations in society. Naomi Klein’s best-seller, “The Shock Doctrine” describes this as “disaster capitalism.” Only when policy makers have succeeded in producing a crisis-shocked people and country, can resistance to “free-market” policies be finally overcome. To convince citizens that public institutions need to be privatized, neoliberal planners deploy what has become by now a well-tested plan: Begin by starving public institutions of adequate funding, leading to the growing inability of such institutions to fully accomplish their mission. As dissatisfaction with their performance rises, take advantage of a serious crisis, then offer the solution to what seems like an intractable problem: privatization, deregulation.

Whether a public utility, a state corporation managing a country’s key resource, a public university, or an entire nation, the strategy of “disaster capitalism” has been applied time and time again in Latin America, Europe, Africa, Asia and North America.

By systematically under funding the SUNY/CUNY system for years, and in the midst of the most serious budget crisis in decades, PHEEIA is now presented as the magic bullet, the lifeboat, which will save and solve all our problems.

At the May 10, 2010 Senate meeting, the neoliberal strategy of “disaster capitalism” worked like a charm. We were told, “Approve the Principles Now; Details will be Worked Out Later; PHEEIA will save you.”

### **Social polarization and the Hollowing out of Democratic Institutions**

Neoliberalism’s blue-print of privatization, deregulation, and liberalization has indeed contributed in some places, certainly not all, to reestablish macroeconomic equilibria and relaunch export growth but it has achieved this at tremendously high and unnecessary social and economic costs. Medical jargon is often used. “Cut of the limb to save the patient!” “Pain is the path to Prosperity!” “If you are going to cut of the cat’s tail, you have to do it in one swift swoop!” However, in absolutely all countries where these policies have been applied, social polarization has risen and democratic institutions have been hollowed out of real democratic content.

Instead of fulfilling their role as the vehicle through which citizens can regulate the market and curtail the class, racial, ethnic, and gender differences inherent to capitalist accumulation, neoliberal strategy seeks to fully subordinate all institutions, including public ones, to the logic of the market and profit motive. Where successfully implemented, invariably those who have ended up benefiting the most has been the tiny minority at the very top of the income pyramid.

Instead of a potent force for promoting civic engagement, citizenship, social integration, and knowledge about our changing world, PHEEIA ensures that SUNY and the University at Albany will continue down the path of increased corporatization. PHEEIA will ensure that SUNY and the University at Albany becomes more responsive to corporate capital; not remain wholly attentive to fulfill the broader social, political, educational and cultural objectives of local communities and the people of the state of New York. PHEEIA must be seen as part of a broader agenda, which like the US Supreme Court's recent decision to allow unlimited and secret corporate contributions to political campaigns, ultimately undermines democracy.

### **A New “Common Sense:” Commodifying Every interstice of Social Life**

PHEEIA also needs to be examined in the broader context of efforts to culturally and ideologically legitimize a “new common sense” for New York State: a transition from a past where public higher education was envisioned as a means for social integration, upward mobility, a broad based education, and citizenship, to a present and future in which the mission of public education is reformulated to promote economic competitiveness, “entrepreneurship” and the harnessing of knowledge production to profits and profit-driven entities. Normalizing such ideational and cultural shift is the ultimate goal of neoliberal crisis production and crisis management.

I was engaging only in mild satire when I was interrupted mid-statement by the Senate president as I cautioned that in the future, PHEEIA would lead to departments being evaluated primarily by how much private funding and how many “public-private partnerships” they broker.

PHEEIA prepares us to aspire to see and welcome at the University at Albany (SUNY) new forms of public-private partnerships such as the “Goldman Sachs Freshman Semester on Morality and Ethics;” the “Wal-Mart Endowed Chair for Community Social Welfare;” the “British Petroleum/Halliburton Joint Professorship on Sustainable Coastal Ecology” and my personal favorite, the “Coca Cola/Chiquita/United Fruit Endowed Professorship of Human Rights in Latin America.” Under the new strategic doctrine of the “entrepreneurial university” and PHEEIA “principles,” our students, faculty and administrators will be groomed to see no nothing strange or questionable about it.

PHEEIA encourages us to dream, to dream that we will finally have a faculty lounge at the University at Albany, but only if we can convince McDonalds, Pizza Hut or Altria to generously sponsor it, albeit in exchange for an exclusive ten year contract and tasteful product placement in our classes and commencement events. Don't we have something akin to that already with Coca Cola and Barnes & Noble? Why not explore such possibilities to the fullest?

The more corporate capitalism colonizes previously existing public institutions or previously non-commodified spaces, the more “flexibility” the University at Albany will have to achieve its newly defined mission. This is what the PHEEIA “principles” and SUNY administrators enthusiastically promise.

### **Chile and Greece Can Indeed Teach Lessons to SUNY Albany**

It is erroneous to believe that the experiences of Chile in the 1970s and 1980s or of Greece in 2010 have nothing to do with what is being planned under PHEEIA for the University at Albany and SUNY system. Perhaps through deeply ingrained belief in “US exceptionalism,” you might think that the history of neoliberalism in these two countries is irrelevant to the debate on PHEEIA.

However, if you take the time to inform yourself, you might find multiple and very direct connections that I sketch only very briefly here.

US historian Steve Volk suggests, for example, that despite their geographical distance and evident asymmetries, Chile and the US are much more closely linked than one would think. US elites and planners have used Chile, he argues, as a testing ground for policies that then are deployed in these very United States. Such policies contributed to destroy Chile's democracy and the liberal state, establish a national security doctrine/neoliberal state after 1973 which fostered neoliberal policies such as the privatization of social security, public health and education. Volk's point is that after being tested in Chile, they are then deployed in the US.<sup>2</sup> It is no coincidence that the co-director of the Cato Institute's program to privatize the US social security was no other than Jose Piñera, Pinochet's Minister of Labor and the architect of privatizing social security in Chile. Do your own research and discover how well Piñera's policy turned out for Chileans.<sup>3</sup>

This is the reason why in my statement to the May 10, 2010 Senate meeting I tried to explain why a "post-PHEEIA SUNY" could be envisaged by examining the situation of public education in Chile today. Decades of neoliberal strategy, applied first through the iron fist of the Pinochet dictatorship and then through the velvet glove of "free-market democracy," ended up destroying Chile's highly admired public higher education system.

For the past 30 years, student and faculty mobilizations have tried to restore Chile's public education system to what it once was. At the election for the new Chancellor of the University of Chile taking place this week, one can see how PHEEIA-like policies have reshaped faculty governance; faculty voices now come in three Goldilocks-like separate sizes: those whose voices count for 1/8 vote, for 1/2 vote, or for 1 full vote depending on whether the "permanent" faculty member stepping into the voting booth has been hired for less than 6 hours, between 7 and 22 hours, or more than 22 hours. Starved for funds, the University at Albany (SUNY), like other SUNY campuses, has increasingly resorted to hiring contingent, part-time faculty that carry out almost 50% of the teaching load. Chile shows were PHEEIA will lead in a couple of years: an even more fragmented and tiered faculty than what we already have.

In the SUNY Albany's enactment of the "shock doctrine" and "disaster capitalism," the Senate voted to approve the PHEEIA "principles," trusting that "details" such as tuition hikes, collective bargaining, procurement policies, public-private partnerships, and decisions over work arrangements would be worked out in the future.

Yet, believe it or not, Greece can also offer a stark example of what can happen when those details are not discussed beforehand. The so-called "Greek" bailout, in reality an effort to save the heavily exposed German and French banks by imposing internal-devaluation and by purposefully shrinking the economy to restore profitability, and unload the costs of the adjustment on the working class and the poor.

Costas Panoyakis, an Associate Professor of Social Studies at CUNY, clearly draws such linkages, connections which in a much less eloquent fashion, I was not allowed to make at the May 10, 2010 Senate meeting. Professor Panoyakis points out:

Governor David Paterson recently called for yet another round of cuts for CUNY and SUNY and proposed to make it easier for universities to raise tuition. If approved, these measures would continue to shift the cost of public higher education from the city and the state onto the students. Education is on its way to becoming just another commodity accessible only to those who can afford to buy it.

The situation faced in New York and throughout the United States may not be quite as dramatic as that in Greece, but the pattern is the same. Those most responsible for the global crisis have shifted the burden of the crisis to the rest of us — whether it be Greek workers facing lower incomes and higher

prices, U.S. public college students paying higher tuition for an educational experience diminished by relentless budget cuts or ordinary Americans financing Wall Street bailouts even as they are losing their jobs and homes.<sup>4</sup>

## **For the revitalization of critical thinking and a genuinely democratic space at SUNY UAlbany**

But there also exist huge differences between Greece and SUNY Albany. While in Greece such policies have led to popular mobilizations, in the US a movement protesting neoliberal strategies and policies such as PHEEIA is still in its infancy.

In the US and in New York, financial speculators have been bailed out to continue speculating with billions of dollars of public resources with hardly a peep.

At the University of Albany (SUNY), PHEEIA was voted after allowing only six to ten minutes of debate with nary a bleat!

The May 10, 2010 University Senate meeting suggests that before being able to draw such connections, we need to fulfill an even more basic prerequisite: protect the University Senate as a genuinely democratic space, where difference of opinion, and conversations about complex issues are encouraged and the spirit of free speech prevails.

Evidently I do not expect you to agree with me or share my views (or analysis) of PHEEIA, neoliberalism, or my assessment of the Senate meeting.

But if after 10 years of working at the University at Albany, I still have to educate you so that you can see me as a legitimate member of this community, so that am allowed to speak and be heard with a minimal level of respect, then I can only ask:

Whose problem is it? What is the name of this problem?

If you answer those questions, even if just for yourself, then perhaps the much needed conversation and actions to defend public higher education from neoliberalism can really begin.

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<sup>2</sup>Steve Volk, "Chile and the United States: Thirty Years Later, Return of the Repressed," in *Democracy in Chile: The Legacy of September 11, 1973*. Edited by S. Nagy-Zekmi and F. Leiva (Sussex Academic Press, 2005).

<sup>3</sup>Fernando Leiva, "Chile's Privatized Social Security System: Behind the Free-Market Hype," *Connections*, May/June 2005: 10-11. A fuller version is available at <http://fleiva.files.wordpress.com/2009/10/leiva-socialsecurity.pdf>

<sup>4</sup>Costas Panoyakis, "Meltdown Greek Style" *The Independent*, April 21, 2010

<http://www.independent.org/2010/04/21/meltdown-greek-style/>