

**“I’m Lost But I’m Making Record Time”:
A Successful President Transforms Syracuse University**

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The Successful President

In 1999, the influential American Council of Education published a primer on university leadership by one of its board directors, Kenneth Shaw, Chancellor of Syracuse University (SU). Dedicated to “academic leaders... who have created the world’s best system of higher education,” *The Successful President* is the linchpin of a buoyant success narrative presenting SU, a private research university in central New York, as a bold experiment in educational innovation. Representing organizational change in a societal vacuum, Shaw’s success narrative is persuasive only to the extent that it conceals the decline of community, the looting of the academy, and such corollaries to the successful president as unsuccessful adjuncts, unsuccessful secretaries, unsuccessful librarians, unsuccessful custodians, and unsuccessful cafeteria workers.

SU, renowned for its top-ranked football and basketball teams, also vaunts five core values: quality, diversity, caring, innovation, and service. Visiting SU in July 2001 to interview Shaw, I researched the militarization, corporatization, and decline of the humanities at SU, developments related to the raw capitalism also transforming the city of Syracuse. Shaw proved to be an able communicator of a vision common to chief executive officers at research universities in the United States.

Before becoming SU Chancellor in 1991, Shaw had had a long career as university administrator, including a stint as president of the University of Wisconsin system. As he climbed the higher education ladder, Shaw found that his jokes became funnier. This humor is particularly evident in *The Successful President*. Executive profit sharing at research universities comes into sharp relief when Shaw advises prospective university presidents that the time to leave has come when “your board provides a Yugo as your company car.” For those “experiencing the highs and lows of leadership,” Shaw provides a concise definition of class in the words of a song that goes, “sometimes you’re windshield, sometimes you’re the bug” (17, 117, 120).

Restructuring The University

The 1990 search committee deliberately sought a sense of humor in the new SU chancellor who would soon carry out a major program of academic restructuring. Radiating earnest cheerfulness upon arrival, Shaw immediately cut several doctoral programs, including Spanish, foreign language teaching, and humanities, and substantially reduced the budgets of several schools, particularly that of the College of Arts and Sciences.

Although SU professors learned that SU had a \$100 million reserve fund (whose existence had been denied to the faculty senate budget committee for years), Shaw informed them that he would not use the fund to ease SU's budget cuts. About a fifth of SU's tenured faculty took early retirement, including studio arts professor D. Lee Dussell who commented, "There's much less idealism at the university now... things are more specialized and job-oriented. This is what they think the consumer is looking for. My leaving is perfect. I haven't felt a part of the larger effort for a couple of years. Only recently have I felt they've tried to muscle me out."¹

The Syracuse dailies, both owned by the Newhouse Corporation, were enthusiastic. "Shaw... announced plans to lay off more staff... than his predecessors had in the last 63 years, and still managed to project the image of a competent, likable leader," gushed the *Syracuse Post-Standard*. "Administrators marvel at how fast and decisively the new chancellor went to work. Students admire his aw-shucks demeanor through it all."²

TQM In The Academy

Along with extensive academic restructuring, Shaw introduced a quality improvement initiative called Syracuse University Improving Quality (SUIQ). Described by SU administrators as a "paradigm of transformation" and "a state of mind," SUIQ aims to identify and meet customer needs, foster group communication, and establish effective teamwork. This new environment of openness and candor, "intertwined with lessons in civility," represents, according to Shaw, a hierarchical shift in which "the rigid, bureaucratic organization with the benevolent despot at the top has given way to a far more horizontal structure with many teams and many leaders."³

¹ Frank Herron, "With SU's Buy-Out Plan, Long Careers Come To An End," *Syracuse Herald-Journal*. February 25, 1992: B3

² Robert L. Shaw, "Shaw Shines In A Tough Freshman Year," *Syracuse Post-Standard*. May 9, 1992: A6

³ Kenneth Shaw, *The Successful President*, American Council on Education, 1999: x, 109.

A 1998 SU administration report notes that although the basic concepts of Total Quality Management (TQM) are carried over to SUIQ, “some of the language and secondary concepts that are important in an industrial setting are not as relevant in the halls of academe.”⁴ Shaw concurs, acknowledging the limitations in a university setting of an industrial model that aims at zero defects, since “our products are educated citizens who are, of course, human beings with all the natural imperfections of the species.”⁵

It is no coincidence that SUIQ appeared as SU employees were undergoing speed-up, downsizing, part-timing, and restructuring. The introduction of quality circles in the corporate workplace, observes Guillermo Grenier in his study *Inhuman Relations*, brought about innovations that exert control over workers. Grenier shows how the “new American managerial consciousness supposedly characterized by a renewed respect for the worker, a new and needed commitment to quality, and a new-design philosophy for organizing the work environment,” is meant to prevent workers from organizing unions to defend their interests. This “vision of unity, cooperation, purpose, and inspiration, of managerial wisdom operating unfettered in an expanding union-free utopia,” thwarts democracy in the workplace.⁶

A recent SU administration report, faithfully reflecting SUIQ measurement and assessment, informs us that “by June 1997, 3,232 employees had spent an average of 34.5 hours in training; 120 trainers had spent an average of 23.5 days in professional development and had invested an average of 25 days in delivering SUIQ training in 625 classes.”⁷ This quantification reflects a behaviorism in which, to quote Robert Lichtman, “quality, uniqueness, creativity, and the moral dimension of existence fall before a reductive insistence upon measurement, quantification, and restrictive processes of infinitely tedious and irrelevant observation.” The viewpoint which emerges is “ahistorical, atomistic, mechanical, disjunctive, and ... ostensibly neutral.”⁸

The Market Knows Best

This seemingly objective viewpoint facilitates change at U. S. universities, which Shaw sees as driven foremost by the world economy and technology. “Our students and their parents

⁴ “Staff Roles and Development,” *Transforming Syracuse University*: 2

⁵ Shaw, *Successful*: 110.

⁶ Guillermo Grenier, *Inhuman Relations*. Philadelphia: Temple UP, 1988: xiii-iv, xvii.

⁷ “Staff Roles,” *Transforming*: 3

⁸ Page Smith, *Killing The Spirit*: New York: Viking Penguin, 1990: 5

are more market-oriented, the people who give us money are more pointed in what they want,” he said during our July 12, 2001 interview. Given this “world market mentality,” Shaw wants to create “a culture amenable to change” by strengthening those aspects of SU which are prone to change.

Disciplines that hasten technology transfer to the private sector are flourishing these days at SU. In 2001, SU won a \$15.9 million New York State grant to develop products for indoor air quality technology at its new Environmental Quality Systems Center. Increasingly enmeshed in the system of global finance, SU recently won drilling rights to the bed of Lake Malawi and is seeking financial support from oil companies for its exploration.

The primacy of the market has turned most faculty in the U. S. into adjuncts or non-tenure track lecturers, the academic equivalent of migrant labor. While he believes in hiring part-timers for specialized knowledge, as in business or journalism, Shaw sees universities using them purely to cut costs. “It’s not our finest hour,” he acknowledged during our interview, adding that although SU has increased its use of part-timers, the administration was “monitoring it carefully.”

Disparities in faculty pay, Shaw believes, are inevitable. “We’re driven by the market and it’s easy to say we just forget about it and do our thing and create this happy place where each achieve according to their abilities and take according to their wants,” he said. An outstanding assistant professor in accounting costs SU over \$100,000 a year, Shaw explained, and if SU were to pay accounting professors what it paid those in the Romance languages, it would be left without accounting professors.

Calling market shifts “the yin and the yang of economic systems,” Shaw said that “the pendulum sometimes goes too far one way or the other.” The most SU can do, Shaw believes, is to somewhat improve salaries falling below the norm in certain disciplines. “You’re kind of tinkering around the edge, because in essence we’re not a socialist economy,” he said.

SU may not be “tinkering around the edge” enough nowadays in SU humanities departments heavily dependent on cheap labor. In 1998, languages, literatures, and linguistics employed twenty-two adjuncts and twenty-five teaching assistants; visual and performing arts, ninety-two adjuncts and eighty teaching assistants; and regular part-time writing program instructors were paid just \$2,386 to \$3,620 per course, to give just a few examples.⁹ Despite an

⁹ “Who Makes What At Syracuse University,” Faculty Labor Support Group report, 1998.

endowment that rose from \$641 million in June 1999 to \$825 million in June 2000 – a 28.7% increase in just a single year -- SU lost three full-time philosophy professors whom Rutgers University lured with higher salaries in fall 2001.

For Shaw, the market is the natural order of things and its idiom permeates *The Successful President*, particularly in its behavioral model of “exchanges in human interaction” that Shaw calls “currencies.” Nevertheless, Shaw understands the injustices of the market. “I can’t explain how a daycare center worker who spends time with my grandchild, who has to be loyal, loving, caring... is making the minimum wage,” Shaw said in our interview. “I can’t explain that, but it’s market. I don’t like it... but if I were running a daycare center, I know I couldn’t afford to pay people twice that much which is probably still not enough.”

The same market that cheats nurturing teachers and daycare workers, also rewards faithful servants of capital to the point where a CEO in the United States now earns 531 times as much as the average worker. This market necessitates change in the academy, whose pace today, Shaw tells us in *The Successful President*, “is so accelerated that to resist it is akin to standing firm in the face of a hurricane, and just about as effective” (15).

But is change compelling simply because it is happening? If a world economy that wreaks ecological devastation and immiserates billions of people can be an appropriate model for a university, then why does a recent administration report state that “the anti-intellectual and socially damaging forces of society are so strong that the University must actively create a countervailing culture on campus”?¹⁰ Might not such corporate practices being replicated at SU -- temping, outsourcing, downsizing, and TQM -- be some of those very forces against which the report cautions?

Keeping The Faith

Shaw’s belief in market-induced change makes him more of a follower than a leader, much in the tradition of James Roscoe Day, SU Chancellor from 1894 to 1922. Day, a Methodist minister, was a close friend of John Archbold, president of both Standard Oil and the SU trustee board. Day’s faith might be summed up in his own words: “I believe in capital. I believe in it fundamentally and thoroughly.”¹¹

¹⁰ “Introduction,” *Transforming*: 3

¹¹ “Chancellor Day Lays Idleness To Labor Agitators,” *Daily Orange*. July 13, 1921: 3

A relentless foe of anti-trust legislation, Day believed that technological advances and the fortunes of tycoons herald humanity's highest stage. "The magnitudes of the business of the present age are logical events," he declared. "The man who is shouting himself hoarse over trusts and corporations and swollen fortunes will take his place in history with the men who smashed Arkwright's loom and Whitney's cotton gin." Trusting in the understanding of the elect and the preservation of mysteries, Day warned: "Men must not take liberties with business. That high privilege of large interpretations is the sole prerogative of politicians."¹²

Like his predecessor Day, Shaw veils the economic relations of his day, as in a recent *New York Times* essay titled "Why College Costs So Much," and subtitled "And Will Only Get Worse." Shaw presents an angry parent complaining about soaring tuition which increased 57% at a particular private university and 79% at public universities in the past ten years while median family income and the Consumer Price Index rose just 38% and 27% respectively. Citing declining enrollment and a large deficit, Shaw explains how SU cut \$66 million from its budget, eliminated 350 staff positions, and created 170 resignations for faculty between 1990 and 1998, but still needed to increase tuition in order to improve student financial aid and compensation for staff and faculty.¹³

Shaw's main rationales for tuition increases – student financial aid and faculty pay -- are unconvincing. First, universities, like the federal government, moved from grants to loans during the nineties. Loans, which comprised just 41% of student aid in 1980, made up 58% by 2001.¹⁴ Second, since nearly half the faculty at four-year colleges and 65% of the faculty at two-year colleges are now part-timers, and since barely a quarter of full-time professors are tenured, universities are spending considerably less on salaries and benefits.¹⁵ After freezing salaries during the 1991-2 academic year, SU has only increased faculty salaries at the rate of inflation.¹⁶

Nevertheless, tuition continues to outpace inflation to the extent that during the 2000-2001 academic year, private college tuition increased 5.5%, public college tuition 7.7%, and inflation a mere 2.6%.¹⁷ SU tuition, having already risen 82% since 1990-91, is slated to rise 6% for the 2002-03 academic year, an increase more than three times the current inflation rate.¹⁸

¹² James Roscoe Day, *The Raid on Prosperity*. D. Appleton, New York, 1908: 25-6, 113.

¹³ Kenneth A. Shaw and Dan A. Black, "Why College Costs So Much," *New York Times*. Education Life, April 8, 2001: 47.

¹⁴ Andrew Brownstein, "Tuitions Rise Sharply, And This Time Public Colleges Lead The Way," *Chronicle of Higher Education*. November 2, 2001: A52.

¹⁵ Daniel Moses, "Distinguishing A University From A Shopping Mall," *Thought & Action*. Spring 1999: 95

¹⁶ "The Budget," *Transforming*: 4.

¹⁷ Brownstein: A52.

¹⁸ Jennifer Jacobs, "SU Plan Ups Tuition 6 Percent," *Syracuse Post-Standard*. January 17, 2002: B1

During the 2000-01 academic year, Williams College, with tuition and fees at \$31,520 a year, and an endowment that has tripled to \$1 billion in the past decade, became the first elite college in a generation to keep its tuition flat for two consecutive years. The step was so unusual for a top-ranked college that it became a major news story.¹⁹

Shaw suggests that increased enrollment in costly technological disciplines may also be a factor in tuition increases and here he may be at least partly right. SU's fiscal crisis, like that of other research universities, emerged after the growth of its technology centers in the early eighties. Recipients of corporate largesse such as SU's Center for Advanced Technology in Computer Applications and Software Engineering grew at the expense of traditional disciplines, and for good reason. After the 1980 Bayh-Dole Act gave corporations exclusive monopoly rights to patents and inventions developed at universities, corporate trustees began diverting money from instruction and student services to sponsored research, resulting in higher tuition.

Shaw is not about to tell where tuition money goes; his explanations explain nothing; elucidation only deepens the mystery, which is perhaps how it is meant to be. Shaw's salary depends on his discretion, and during the 1999-00 academic year, Shaw earned \$317,298 in pay and benefits.²⁰ Shaw does well in relation to his peers, earning, in 1996-97, 156% of the median salary of chief executives at doctoral granting institutions.

Although Shaw's ties to the financial industry might inform his views on university tuition, the *Times* essay identifies Shaw as SU Chancellor, but not as a member of the board of directors of the recently privatized Sallie Mae. This lending institution recently joined several others in a lawsuit to prevent the federal government from reducing interest rates and fees on student loans. The federal government's direct lending program, which eliminates the role of banks and guarantee agencies in student loans, threatens the guaranteed-loan program that since 1994 has subsidized lenders by reimbursing them for loans in default. The American Council of Education (ACE), home to the Business-Higher Education Forum and on whose board Shaw also sits, recently refused to provide a legal brief to defend the federal government against the lending institutions that provide the ACE with much of its funding.²¹ Lending institutions wield considerable political and financial clout and the individuals who run them are, rather predictably, pursuing profits to the detriment of indebted students. According to a July 31, 2001

¹⁹ John Wilgoren, "Williams College To Keep Costs Unchanged," *New York Times*. January 5, 2000: A18.

²⁰ Julie N. Nicklin, "Private-College Presidents Enjoy Another Lucrative Year," *Chronicle of Higher Education*. November 9, 2001: A34.

²¹ Stephen Burd, "Direct Lending's Last Stand," *Chronicle of Higher Education*. June 15, 2001: A18.

Sallie Mae press release, Sallie Mae executives and members of its board of directors have significantly increased their stock ownership in the company in recent months.

As with his explanation for higher tuition, Shaw's SU success story, highlighting improved national rankings, retention rates, and freshmen test scores, is highly suspect. Take, for instance, the Association of Research Libraries index which considers such factors as volumes added, current serials, size of permanent library staff, and operating expenditures of major university libraries in the United States and Canada. SU, ranked 64th in the 1994-95 academic year, dropped to 91st in 1999-2000, with the second lowest increase in expenditures among libraries.²² Or take the sixty-six graduate students who transferred from SU in 1998 because the New York State Education Department had neither registered nor approved their family nurse practitioner program. Or that SU has the lowest pass rate among New York's fourteen law schools with just 58% of its students passing the July 2000 state bar exam on the first try.²³ Or the steady slide in the reputation of SU's engineering programs since the mid-sixties, hastened by the whopping 40% cut in the engineering school budget during the early nineties. Or the dismal 17% four-year graduation rate of the men's basketball team that is the pride of SU.²⁴

SU's latest acquisitions include study abroad centers, a shopping mall, and the last privately-owned residence on University Hill, which was finally sold after SU discouraged the owner from applying for landmark status. Indeed, the picture at SU mirrors Shaw's summary of higher education in the words of a pilot over the Atlantic: "I'm lost but I'm making record time."²⁵ With adjunctified instructors, downsized employees, entrepreneurial professors, and the community of scholars becoming an industrial park, SU, like other research universities, can truly said to be making "record time."

Feeding The War Machine

Speaking of which, the growing military presence at SU is spawning numerous high tech "dual use" projects that serve both corporations and the Pentagon. In October '97, sixty people attended two ceremonies at SU in which "General Pentagon" married "Miss Maxwell" and "Miss Newhouse." The events publicized a \$8.1 million Department of Defense contract with

²² "Holdings of University Research Libraries in U.S. and Canada, 1999-2000," *Chronicle of Higher Education*. June 22, 2001: A20.

²³ Karen W. Arenson, "At CUNY Law, A Bit More Gavel," *New York Times*. December 11, 2000: B5. By contrast, 67% of students passed at next-to-last Pace, and 94% passed at the top two schools, Cornell and NYU.

²⁴ Welch Suggs, "Graduation Rate For Male Basketball Players Falls to Lowest Level In A Decade," *Chronicle of Higher Education*. September 21, 2001: A36. Hofstra, a university in New York with a comparable basketball team, had a 71% four-year graduation rate.

²⁵ Kenneth Shaw, "Building on Strength: Values For The Future," *Syracuse Record*. November 18, 1991: 7

SU's Maxwell School of Citizenship and Public Affairs to train military personnel in security management, and a \$4 million contract with SU's Newhouse School of Journalism to train military journalists in broadcast journalism and still photography. As human rights journalist Allan Nairn observed at one of the symbolic weddings, "You can't do independent schooling or journalism when you are on the payroll of the Pentagon." The arrival of military officers who mentor SU students during their stay at Maxwell happened to coincide with elimination of SU's undergraduate major in Peace Studies.²⁶

The militarization of Newhouse brings to mind its dedication ceremony on August 5, 1964, when President Lyndon Johnson delivered his infamous Gulf of Tonkin address justifying full-scale U.S. aggression in Vietnam. During the war, SU's student newspaper, the *Daily Orange*, detailed SU's unclassified military research contracts, but could not expose classified research at SU's sister agency, the Syracuse University Research Corporation. One particularly secretive SU project was the East European Language Training Program, whose purpose was classified, as were participants' identities. The *Daily Orange* questioned the benefit of this project, from whose site SU students were restricted, noting that SU was sharing the costs of many military research projects and grants, leading to reduced teaching loads and increased class sizes.

The lead article in Maxwell's summer 2001 alumni magazine, titled "Crib Notes for a New World Order," lauds the new \$8.7 million, five year extension of Maxwell's security management program providing "practical and philosophical grounding to defense professionals."²⁷ Asked whether military involvement threatened SU's integrity, Shaw replied, "It doesn't have to be that way." He did not elaborate. With sixty percent of federal funding for research and development now devoted to military research, it is hard to see how it can be any other way.

The Vanishing Classics

"SU has long seemed to me a kind of expanding empire out of touch with human needs," comments Ed Kinane, a '67 Maxwell School alumnus who portrayed "Mister Pentagon" at the 1997 Maxwell protest. The rise of SU's corporate-military partnership does in fact coincide with the decline of the humanities at SU. Concerned about the consequent loss of a sense of the past, I

²⁶ Valerie Singer, "Allan Nairn Objects to Pentagon Wedding," *Syracuse Peace Newsletter*. November 1997: 5.

asked Shaw during our interview whether he would restore the suspended SU graduate program in classics if, for example, SU were given a billion dollar donation. In response, Shaw pointed out that a gift of that magnitude would be improbable, since SU fundraising only nets about \$55 million annually and since large donations are almost invariably restricted.

Assuming, however, for argument's sake, that 30% of the hypothetical billion dollar gift was unrestricted, Shaw said that he would fashion the humanities according to SU's mission, needs, strengths, and existing programs. As a change agent, said Shaw, SU ought to fund the humanities in new and different ways, rather than buttress what the humanities were thirty years ago. Shaw takes pride in a new speakers series and interdisciplinary initiatives in the humanities.

In other words, not even three hundred million dollars would revive the classics program. As the classics disappear from SU, the motto on the SU seal, "Suos Cultores Scientia Coronat" ("Knowledge crowns those who seek her"), rings increasingly hollow. SU tried to replace the seal with a corporate logo in 1988, but encountered widespread student opposition because of the logo's resemblance to, among other things, a design for a toilet deodorizer.

Who Runs The University

By what right do corporate executives decide the fate of entire disciplines and set the wages of university employees? The idea of electing students, faculty, staff employees, and community representatives to university boards does not appeal to Shaw. "I don't think that universities can work that are democratic," he said during our interview, citing a gridlocked federal government, dominated by special interests, to describe how a university should not work.

Shaw firmly believes in the impartiality and disinterestedness of the mostly white male business executives on university boards. But what brings them there? Is it a deep and abiding interest in the quality of American higher education? Or is it to choose the banks in which universities deposit student tuition, the companies in which universities invest endowment funds, and the sponsored research that universities carry out?

And do university presidents sit on corporate boards as a form of community service, much like sponsoring the Little League or the Girl Scouts? Or is to network, swing deals, and

²⁷ "Crib Notes For A New World Order," *Maxwell Perspectives*. Summer 2001: 1-2.

leverage institutions? Why, for instance, would Shaw sit on the board of the Unity Mutual Life Insurance Company when his duties as SU Chancellor surely suffice to keep him busy?

The Leading S. C. R. U.

Shaw recognizes that the essence of the leadership process remains elusive.²⁸ This elusiveness is hardly incidental in U.S. research universities where a lofty ideal like democracy might obstruct change.

A centerpiece of change at SU is the vision to become the nation's "leading student-centered research university," for which SU won the 1996 TIAA/CREF Theodore Hesburg Award for the enhancement of undergraduate learning. In a recent article in *Change*, Barbara D. Wright finds that SU has been "brilliantly successful... in creating a consensus for its redefined mission, building an infrastructure to support it, and changing its campus culture." However, Wright also found discomfiture with the administration's most cherished description of SU:

There's some fatigue with the phrase "student-centered research university" on the part of both students and staff. In fact, when I randomly asked people on campus whether they had ever heard it, reactions ranged from "Oh God, yes!" "All the time," or "Please, not again" to an eloquent rolling of the eyes. Recognizing this, the university is trying to use the phrase more sparingly these days and come up with other language. The president himself admits that it has been reduced (in many quarters) to its acronym, SCRUI, or "screw."

With SU planning to more than double sponsored research in the next decade, the question is how research fits into SU's learning environment. "Even as we've cut the number of faculty... we increased the amount of sponsored research, because in order to be a student-centered research university... we have to be a place where there's a lot of exciting research going on," Shaw explained in our interview. "And what makes our market niche is that we can be that, and still be student focused."

Nevertheless, students seem at a loss as to how research enhances their learning, as Wright, despite her otherwise glowing assessment of SU, discovered:

One student suggested that it meant that it was easy for him to do research from his dorm room via the Internet. Several did mention professors bringing their research into the classroom, but one reasoned that professors gave students projects to work on so that they, the professors, could

²⁸ Shaw, *Successful*: ix.

go off and do their own research. Several students assumed that “research” had nothing to do with them because they weren’t majoring in the natural sciences. Another common reaction was to discount the phrase as a mere buzzword, a marketing ploy, an advertising gimmick. “Parents really like it,” one said dismissively. A few disagreed with the premise that the university was student-centered at all. The most passionate students I spoke to accused the university of actually being administration-centered and wished students had the power to increase services or decrease tuition. Another student complained that “they collect the money, teach us what we need to know, pump us out, and take in the next class. It’s all about money.”²⁹

The Larger Picture: Syracuse In Decline

“Shaw and SU are like metal filings aligned in the magnetic field of globalization and corporate colonization not only of academia, but of our cities,” observes Kinane. In *The Successful President*, Shaw ignores the unraveling of community in Syracuse whose population dropped from 250,000 in 1950 to just over 150,000 today. During the nineties, home values in Syracuse dropped 11%, despite a 46% increase in U.S. home prices; the vacancy rate in Syracuse tripled to nearly one in twenty homes. Notwithstanding the demolition of over three thousand housing units, eleven hundred abandoned homes still remain in New York’s fifth largest city.³⁰

In 1998, the year Shaw wrote *The Successful President*, Syracuse’s long-term bond ratings fell to their lowest point in sixty years, increasing rates on the city’s debt, as Syracuse officials agreed to a settlement with the Federal Securities and Exchange Commission for leading investors to believe that the city budget faced a surplus instead of a \$9.4 million shortfall.³¹ That year, Syracuse’s thirty-six public schools, faced with a \$6.7 million budget reduction, laid off 122 teachers and 94 teaching assistants, eliminated art class supplies, and shortened school library hours.³²

Given changes in funding formulas for city and school budgets, the public schools will continue to deteriorate. In 1990, Onondaga County began shifting tax revenue from Syracuse to its suburbs, and in 2000 further weakened city finances when it capped municipal sales tax revenue. Whereas in 1978, Syracuse property owners paid more than two percent of their property value directly to the schools, by 1998 they paid less than one and a quarter percent.³³

²⁹ Barbara D. Wright, “The Syracuse Transformation,” *Change*. July/August 2001: 43-4.

³⁰ William P. Barrett, “Willis Carrier’s Ghost,” *Forbes*. May 29, 2000. On-line edition.

³¹ Kirk Johnson, “Syracuse and S. E. C. Settle A Case Alleging Bond Fraud,” *New York Times*. October 1997: B6.

³² Betsy Sandberg, “Syracuse Budget Cut, And Education Bleeds,” *New York Teacher*. Oct. 7, 1998: 6A

³³ Sandberg: 6A.

Starved for funds, the Syracuse school district receives \$270,000 each year from Pepsi for granting the company exclusive selling rights to its students.

As elsewhere, rewards in Syracuse accrue to the powerful. Timothy Smeeding, director of SU's Center for Policy Research concludes, "The winners increasingly are less interested in public goods that support everybody and more interested in segregating themselves from social problems which they will never experience."³⁴ In a letter to the *Syracuse Post-Standard*, two parents wondered: "What are we to make of a city school budget shaped, in large part, by the efforts of men who choose to send their children to private schools? What tone is set when elected leaders who enjoy a high degree of privilege, exercise that privilege by placing their children into settings beyond the reach of budget decisions like those our city has just been forced to accept?"³⁵

These days, corporate welfare drives public policy in Syracuse, as Shaw, who serves as vice president of the local Metropolitan Development Association, must surely know. A recent *Forbes* article notes that Syracuse doled out \$2 billion in tax breaks and corporate subsidies in the past five years with little to show for it. Sixty percent of all Syracuse real estate is now tax-exempt or tax-abated, causing the city's property tax rate, which is twice the national average, to fall disproportionately on homeowners and small businesses. In 1997, the city granted \$3.1 million in loan forgiveness and debt deferral for the new headquarters of the Greater Syracuse Chamber of Commerce on whose board sits Shaw.³⁶

Corporate Welfare Exhibit A: Landis

Another instance of corporate welfare is that of Landis Plastics, a plastic food container manufacturer that opened a plant in the Syracuse suburb of Solvay in August 1994. The Onondaga County Industrial Development Agency gave Landis \$6.5 million in bonds to finance plant construction and \$300,000 to demolish an old plant on the site. New York State provided Landis \$2.5 million in grants and low-interest loans and the village of Solvay supplied low-cost electricity to the company. In addition, Landis was given a ten-year tax abatement on its new plant.

³⁴ Nina Bernstein, "Widest Income Gap Is Found In New York," *New York Times*. January 19, 2000: B5

³⁵ Susan Coats and Andrew Waggoner. "Do City Residents Now Abandon The Schools?," *Syracuse Post-Standard*. June 18, 1998: A17

³⁶ Barrett.

Plagued with worker injuries from its inception, the Landis plant had an amputation rate nearly 100 times the New York State factory average. In 1996, half the plant's 180 employees received injuries serious enough to warrant medical treatment or time away from work; during one thirteen month period, four Landis employees lost fingers in machinery.³⁷ As a result, Landis employee Kathy Saumier began organizing union meetings through the United Steelworkers of America. In February '97, Landis, whose website boasts "Total Quality Management has been our philosophy from day one,"³⁸ responded by firing Saumier, a 36-year old single mother of two, for allegedly sexually harassing two male employees, in one case supposedly pulling down the man's pants and groping him. It also fired another pro-union female employee, Clara Sullivan, likewise accusing her of sexually harassing a male employee. The following year, a federal judge reinstated both Saumier and Sullivan, finding that "prior to the union organizing effort, Landis exhibited a pattern of acquiescence with respect to workplace harassment."³⁹ Two months later, an administrative law judge concurred, noting that Landis had treated sexual harassment complaints by female employees with "disbelief, indifference and antagonism." The judge determined that one of the two allegedly harassed male workers had denied that Saumier had ever harassed him, while the other said that he had always had good relations with Saumier. The judge also found that Landis had illegally interrogated employees about their views on unionization, had threatened to close the factory if workers unionized, had installed a video camera in the room where workers took breaks so as to monitor pro-union activities, and had fired Saumier for her union advocacy.⁴⁰

Hailed as the Norma Rae of Syracuse, Saumier fought back. With the support of the Central New York Labor-Religion Coalition and the United Steelworkers of America, she reported plant injuries to regulatory agencies. Saumier later said that she stood her ground so that her children would not have to someday go through what she did. The Occupational Safety and Health Administration (OSHA) cited Landis for failing to report 64 injuries between January '95 and July '96 and for failing to install necessary machine safety guards. Initially, a Landis official called the citations "the workplace equivalent of old parking tickets," but the company soon agreed to pay a \$425,520 fine, the largest ever issued by the Syracuse OSHA office, and to

³⁷ *Keeping Score* (report), New York State Labor and Environmental Network, March 1998. Appendix I.

³⁸ www.landisplastics.com/quality.htm

³⁹ Steven Greenhouse. "Judge Reinstates A Union Activist in Syracuse," *New York Times*. March 6, 1998: B5

⁴⁰ Steven Greenhouse. "Judge Upholds Reinstatement of Syracuse Union Supporter," *New York Times*. May 28, 1998: B8

implement a safety and health program for its employees.⁴¹ Landis also agreed to a \$782,000 settlement with the Equal Employment Opportunity Commission for steering women to dangerous, low-paying jobs on the production line. In doing so, Landis denied wrongdoing, claiming that it had settled, as with OSHA, only to avoid litigation.⁴²

Corporate Welfare Exhibit B: Carousel

Despite the decisive intervention of regulatory agencies and the ensuing publicity, there is still no union at the Landis plant. And corporate welfare persists in Syracuse. For spring '02, city fathers intend a \$1.3 billion expansion of the Carousel Center shopping mall onto land polluted by oil tanks, making it, at 103 acres, the country's largest mega-mall.

The developer of the Carousel mall is Pyramid Companies, whose primary owner, Robert Congel, has, since 1995, donated \$94,900 to the New York State Republican party and \$15,500 to the campaign of Governor George Pataki. Pyramid recently hired former U. S. Senator Alfonse D'Amato and John F. O'Mara, a top Pataki aide, to lobby the Pataki administration for a \$25 million project to build a high-tech center at the mall. O'Mara also serves as a lobbyist for Niagara Mohawk, a utility that he used to regulate when he served as chairman of the state Public Service Commission, underscoring the need for a law that forbids the hiring of state officials as lobbyists.⁴³

Critics of the Carousel expansion, in which the city would forego \$300 million in taxes for 30 years, expect the mall to create more minimum wage jobs, to fail to attract enough affluent consumers given its location, and to harm other Syracuse malls. At a recent public hearing, supporters of the deal confronted critics with signs that read, "Do you have a better alternative?"

Imagining Alternatives

One person who imagines civic alternatives to a shopping mall is Craig Schaub, pastor of the Plymouth Congregational Church, who sees a race to the bottom in Syracuse, with the social safety net in tatters and people barely subsisting on two or three jobs. With brutal working conditions destroying family and community, the struggle for economic security, Schaub believes, has replaced religion as the structure of peoples' lives. Convinced that people are in

⁴¹ John O'Brien, "Landis Agrees To Record \$425,520 Fine," *Syracuse Post-Standard*. June 19, 1998: B5.

⁴² Steven Greenhouse, "Plastics Company To Pay \$782, 000 In Sex Discrimination Case," *New York Times*. December 7, 2000: B14.

⁴³ Richard Pérez-Peña, "Critics Fault Lobbyists' Work For Pataki," *New York Times*. November 25, 2001: A42.

need of rest, a time for restoration in which they can live differently and reconnect spiritually, Schaub participates in prayer vigils to support worker organizing. As a member of the Central New York Labor-Religion Coalition, Schaub campaigns for universal health insurance, campaign finance reform, workplace safety, and a living wage ordinance in Syracuse.

Another such individual is Howard Hawkins, Green candidate for Syracuse city councilor in 2001, who would rather invest in schools, libraries, and parks, than in corporate welfare masquerading as community development. Hawkins wants to reverse the steep decline in public services such as that in the Department of Park and Recreation whose employees dwindled from 125 to 25 during the nineties. He notes that the New York Board of Regents recently cited Syracuse for having the lowest school funding among New York's five upstate cities. Barely a third of the students entering Syracuse public high schools will graduate, and in Syracuse's impoverished South Side neighborhood, unemployment can reach 40% during recessions.

As sales tax for Syracuse disappears, Hawkins believes that a progressive income tax, consolidated city and county revenue, and a tax on suburban commuters, can provide sorely needed public funds. He would both reduce and make more equitable the property tax, and would eliminate the county sales tax that falls disproportionately on the poor.

Hawkins also wants Syracuse to subsidize locally-owned enterprises instead of national chains such as the South Side KFC franchise which public funds recently helped expand into a KFC/Taco Bell of dubious benefit to Syracuse. Hawkins would create a municipal bank with a business development arm to train employees to run cooperatives that they would eventually purchase from the bank.

A Weighty Responsibility

Although he omits the troubles of Syracuse from his book, Shaw does invite SU students to ponder their social responsibilities. In his August 28, 1998 convocation speech to incoming freshmen, Shaw cited a well-known fact, namely that if one could shrink the world into a global village of 100 people, "half of the village's wealth would be in the hands of six people, and all would be from the United States. Seventy of the 100 would not be able to read; 50 would suffer from some form of malnutrition; 80 would live in substandard housing. And out of all these, just

one... would have a college education.” Shaw then admonished the students, “This is your opportunity, your privilege, and your very weighty responsibility.”⁴⁴

Asked in our interview what forms of action students might take in the light of that statement, Shaw replied that each year three thousand SU students do community service: tutoring in schools, mentoring boys and girls clubs, and helping to design parks for community groups. Aware of the limitations of service in remedying injustice, Shaw said that he told some volunteer SU students who were mentoring schoolchildren that the students “should be developing some understanding of the conditions that resulted in their being in the place where [the children] need to have mentoring and tutoring.”

What might be the SU administration’s own “weighty responsibility” to Syracuse given its overuse of temporary employees, insistence on flexibility for outsourcing, and meager wages for library employees and parking attendants? Despite its stated concern for the well-being of Syracuse, the SU administration tried to have the retirement home of former SU Chancellor Melvin Eggers taken off the tax rolls in 1991, claiming that the home was used for educational purposes. SU’s downsizing of its faculty, staff, and student body led to business closures and declines in property values in the adjacent Westcott Nation, an integrated neighborhood known for its artists, musicians, and lively counterculture.

Shaw’s conscience resembles those of corporate managers who, as Lawrence Mitchell explains, are “increasingly driven by faceless, soulless capital markets... composed of individuals with consciences but creating a collective that lacks one.”⁴⁵ As for SU students, just a handful assume their responsibility for the world by supporting labor struggles. As one undergraduate finance major memorably put it during the September 1998 SU strike, “I’m not paying \$28,000 a year to stand in a picket line.”

The Strike

That strike of the SU Service Employees International Union Local 200A was the first major challenge to Shaw. In *The Successful President*, the strike merits just two parenthetical sentences: “(As I write, we are recovering from a week-long strike by our service worker’s union, which was followed by a storm packing 75-mile-an-hour winds that downed trees and electrical wires all over the city. I’ve been credited with both)” (1). Thus Shaw, with a chuckle,

⁴⁴ Kenneth Shaw, “Chancellor’s Convocation Speech For New Students,” August 28, 1998: 4

⁴⁵ Lawrence E. Mitchell, “American Corporations: The New Sovereigns,” *Chronicle of Higher Education*. January 18, 2002: B13.

evades responsibility for labor conflict at SU, conflating the strike with the fierce storm that caused \$15 million in damages at SU on Labor Day, the day after the strike concluded.

While the union cited outsourcing as the main point of contention with the administration, Shaw denied that was the reason for the strike. During our interview, he understandably refused to specify what he believed to be its cause, for conflict defies explanation in his management paradigm. As Grenier explains,

Conflict between the interests of managers and workers is seen as an aberration in a new-design corporation, and so is the idea that workers shall organize into independent labor organizations to protect their interests. Conflict is a type of sickness that individuals bring into the work environment from outside, from their home lives or from union organizers.... It does not grow normally inside the organizational structures of an innovative organization; and when it does appear, as it always does...it is the individual that has to be treated, not the organization.⁴⁶

After the SU administration refused to negotiate its demand that it be given the flexibility to outsource at will, the union informed the university community: “We have been subjected to the kind of sham bargaining and disrespect that the powerful reserve for the weak. Ultimatums and stonewalling, instead of problem solving (the method promoted in SUIQ) are the hallmark of the university’s chief negotiator, Vince Scicchitano.”⁴⁷

As a strike loomed, professors urged the administration to reconsider its final offer to the union. “None of us, I believe, would expect the university to engage in uncalled-for extravagance,” wrote anthropology professor Deborah Pellow in a letter to Shaw during the September 1998 strike. “But to balance the university’s checkbook at the expense of those who keep it going – the heart and soul of our infrastructure – is simply immoral. Paying our workers a living wage, affording them the respect and dignity due them, negotiating with them in good faith – these elements are not extravagant. They are not privileges – they are rights.” In another letter sent during the strike, law library director M. Louise Lantzy informed Shaw that the seven unionized law library employees were all earning under \$20,000 a year, with one earning just \$12,878. In contrast, SU head football coach Paul Pasqualoni earned \$508,728 in compensation and \$107,211 in benefits during the 1999-00 academic year.⁴⁸

This SU of winners and losers troubled those who believed that SU staff employees could not be outsourced without tarnishing that carefully cultivated image of family designed to

⁴⁶ Grenier: xiv.

⁴⁷ “Why We Are On Strike,” *Daily Orange*. September 1, 1998: 5

⁴⁸ Nicklin: A34. IRS 990 forms, which discloses the compensation of the five most highly paid employees of an institution, can be viewed at www.guidestar.org

maximize alumni donations. “One cannot hope to create a sense of family in the face of major inequity among its members,” wrote Karen Kirkhart, professor of social work, in a letter to Shaw. At a teach-in at SU’s Hendricks Chapel in support of the strikers, Cornell English professor Paul Sawyer commented, “A place where some people are making more than \$300,000 and others are hitting the food lines is not a community in any sense of the word.”⁴⁹

Threats and Defiance

During the strike, the SU administration used coercion, what Shaw calls “the least effective but, sadly, the most used kind of power.”⁵⁰ In an August 25, 1998 memo to SU deans, Gershon Vincow, then Vice Chancellor for Academic Affairs, warned that “those who do not carry out their responsibilities should expect a reduction in pay” and that staff employees and faculty who refused to cross the picket lines had to notify their supervisors. According to the *Syracuse Post-Standard*, SU Communications Director Kevin Morrow stated that faculty would not be allowed to conduct teach-ins about the strike.⁵¹ An e-mail, which apparently originated within the SU administration, stated that students would not be allowed to distribute pro-union flyers on campus and could only act through recognized student organizations, and only then if the organization as a whole supported union issues.

These threats angered those who believed that free expression defined a university. They also contradicted the administration’s stated belief that “debate, even if it is sometimes acrimonious, should characterize an academic institution,”⁵² and Shaw’s description of diversity, a core SU value, as “a commitment being to a place where no person’s thoughts are deemed inappropriate for expression.”⁵³ In a September 2, 1998 letter to Shaw, political science professor Gavin Duffy warned:

As you know, the relationship between the administration and faculty differs from the relationship between employers and employees in typical business enterprises. Strictly speaking, administrators are not faculty employers and faculty are not administrators’ employees. Administrators are faculty members entrusted by their colleagues to act as their agents. For this reason, strikebreaking tactics that have succeeded in the context of private enterprises may well produce unintended consequences when applied within an academic context.

⁴⁹ Michele Mariani, “Cornell, SU Students Support Union,” *Daily Orange*. September 4, 1998: 10.

⁵⁰ Shaw, *Successful*: 33.

⁵¹ Coert Bonthuis, phone interview with the author, July 10, 2001.

⁵² Gershon Vincow, “Restructuring Plan For Academic Affairs,” *Syracuse Record*. December 16, 1991: A5.

⁵³ Shaw, “Building”: 8.

One such consequence was a series of defiant pro-labor actions. Seventy-five students protested at the SU Administration Building, chanting things like “put Shaw part-time” and “student-centered my ass.” Several students blocked building entrances, lying down, one undergraduate explained, to remind administrators how they were stepping on employees and students.⁵⁴ Also, fifty professors demonstrated in front of SU’s Bird Library, holding picket signs. When Robby Robinson, the head of SU security, informed them that they could not stand on campus with signs, the professors decided to sit down with their signs instead. They refused to budge even after Robinson brought the city police and read them Riot Act. Finally, Robinson informed the professors that he could take action if he so wished but that he chose not to do so.

After a week of bitter charges and countercharges, the strike ended. The union accepted minimal pay raises while the SU administration dropped its insistence on the freedom to outsource and promised not to retaliate against strikers returning to work. In a purportedly conciliatory message to returning staff employees, Shaw recognized that hardship and the need “to reconcile their loyalty to the University with their loyalty to the union” had caused them great stress. The employees, however, saw no conflict between loyalty to the union and loyalty to SU.

Ending his annual address to faculty on September 23, 1998 “on a more solemn note than usual,” Shaw said,

During the course of the recent strike, we heard from many students and parents the complaint that the primary purpose in being here – “learning and growing” – was being thwarted by a very small group of faculty and graduate students who refused to teach their classes. I do understand that it was out of a strong conviction that these colleagues acted. I also understand these actions in the context of this country’s proud tradition of civil disobedience. The great teachers of civil disobedience – Gandhi, Thoreau, and Martin Luther King Jr., among others – emphasized both the obligation to resist perceived injustice and the obligation to accept the consequences of that action. It is in this context that I ask those who chose not to meet their classes ... to voluntarily inform their deans of the time missed so that their paychecks can be adjusted accordingly. I am motivated not by a desire to punish, but to ensure that the lesson of civil disobedience is not lost on our students.

He concluded by quoting Hannah Arendt: “Education is the point at which we decide whether we love the world enough to assume responsibility for it and by the same token save it from ruin which, except for the coming of the new and young, would be inevitable.”⁵⁵

⁵⁴ Sapna Kollai, “Students Rally For Picketers At Tolley,” *Daily Orange*. September 4, 1998: 1, 8.

⁵⁵ Kenneth Shaw, “Annual Address To Faculty,” *Campus Hot News*. September 25, 1998: 8

It is the very measure of his affability that Shaw could threaten to dock the pay of faculty labor supporters and make it appear like a civic lesson. Shaw is likable: faculty address him by his nickname, “Buzz,” and a reporter who visited SU found him happily exchanging snowballs with undergraduates, a scene, let it be said, which effectively conceals the excesses of capital. Shaw certainly differs from some of the curmudgeons of yore who served as SU Chancellors, including Day. When, at a faculty meeting, a professor suggested that an industrial magnate, whom Day had chosen for a Doctor of Science degree, be awarded an honorary doctorate instead, Day shouted at him to “sit down and shut up.”⁵⁶ Another such chancellor was William Tolley who struck a protester with a cane at SU’s 1964 ROTC review, which churlishness was immortalized in a photo splashed on the front page of SU’s student newspaper, the *Daily Orange*.

In an e-mail to the pro-labor SU Faculty Support Group, sent on September 24, 1998, shortly after Shaw’s speech, law professor Leslie Bender noted that civil disobedience involves violating a law out of moral principle and that refusing to cross a picket line is not illegal. Those professors who refused to cross the picket line not only affirmed the dignity of staff employees who made learning at SU possible, but fulfilled their obligations to their students by teaching classes off campus, creating websites with class material, or conducting instruction by e-mail. They exemplified, at personal risk, the meaning of caring, a core SU value that Shaw evoked in his inaugural address: “Caring means that we embrace the University community and all the people in it... that we look to the larger world as the final repository of our knowledge.”

A Unique University?

Upon becoming Chancellor, Shaw promised a SU like no other university. That memorable day, as the combined choirs of the soon-to-be-downsized School of Music sang “O Clap Your Hands,” a procession of trustees, administrators, and faculty escorted Shaw to his inaugural address. Wearing the SU blue and orange colors beneath his ceremonial gown, Shaw declared, “I say, let the Big Name University be the Big Name University. Let us be Syracuse University, unique and complete in our own right. Syracuse University has its own values; it would be folly for us to pattern ourselves after someone else.”

But is SU unique in any meaningful sense of the word? From its academic restructuring and managerial jargon, to its military contracts and big-time sports, SU is actually a typical U.S.

⁵⁶ Upton Sinclair, *The Goose Step*. Self-published, 1923: 280.

research university, as even Shaw himself knows. In fact, in his inaugural address, Shaw undercut his assertion of SU's uniqueness with an anecdote of a candidate for dean who, after touring SU, said to then Chancellor Melvin Eggers, "This place is different – different from any place I've seen." Eggers reportedly answered, "Yes it is, and when you find out how it is different, let me know."⁵⁷

Change at SU, hardly a singular response to student needs, and still less a triumph of executive thinking, is but a script written by big money. Today, universities remain as much under the thumb of the "captains of industry" as in Upton Sinclair's 1923 portrait of higher education, *The Goosestep*. As corporate executives, rife with conflicts of interest, dictate change from on high, turning universities into gigantic biomedical enterprises and manufacturing facilities for weaponry components, a counter-movement is building across the country.

No longer merely seeking a larger slice of the pie nor simply asking for education for citizenship instead of vocational training, many students, faculty and staff now want to determine who runs the university and whose interest the university will serve. Their efforts herald a great struggle to liberate universities from capitalism. As university communities awaken to the swindle perpetrated in the name of quality and excellence, SU's strike and Labor Day Storm herald academia's coming upheaval.

⁵⁷ Shaw, "Building": 7-8.