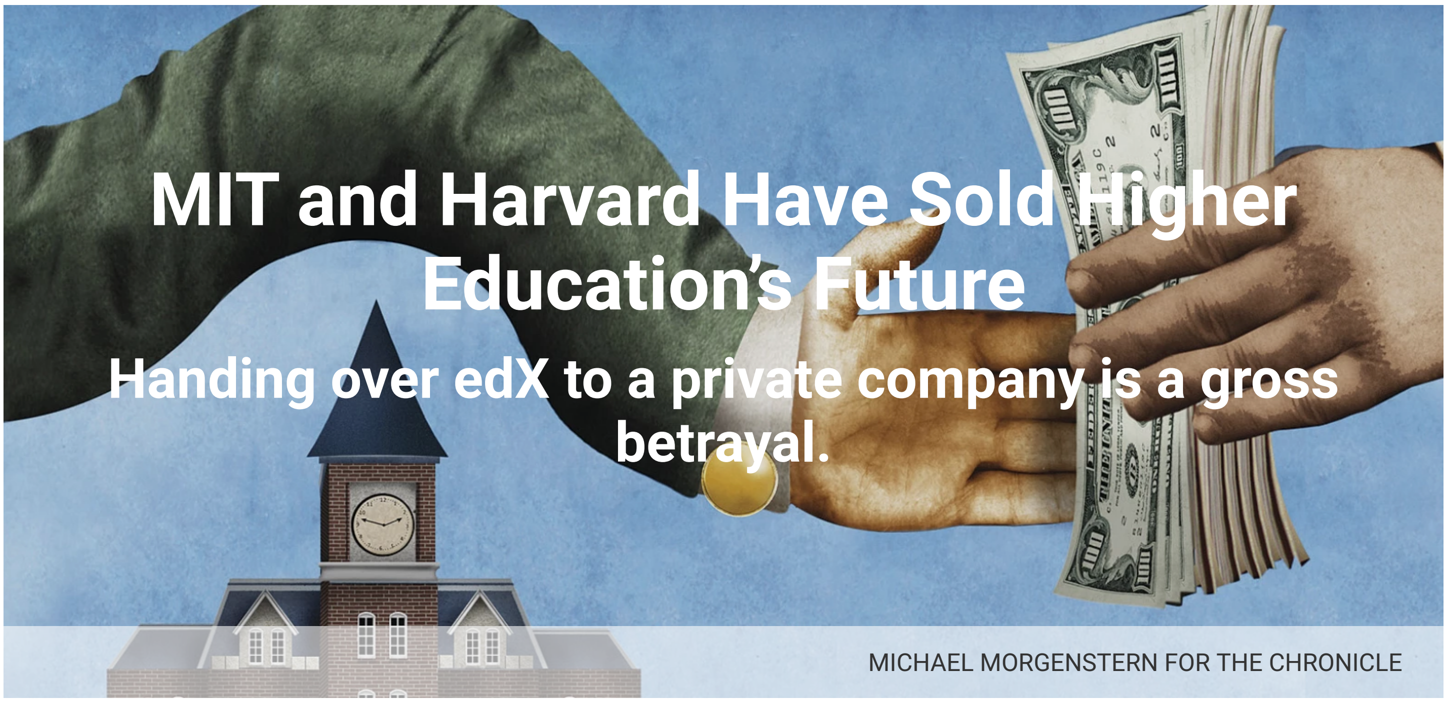
THE CHRONICLE OF HIGHER EDUCATION



MIT and Harvard Have Sold Higher Education's Future

Handing over edX to a private company is a gross betrayal.

MICHAEL MORGENSTERN FOR THE CHRONICLE

THE REVIEW

By Jefferson Pooley

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Last week Harvard University and the Massachusetts Institute of Technology sold their edX platform to a for-profit company for $800 million. Founded by the two institutions nearly a decade ago, edX was higher education's answer to the venture-backed start-ups jostling for an online-course windfall. With the sale to one of those firms, Maryland-based 2U, Harvard and MIT have surrendered. Their decision to fold is a major, and potentially fateful, act of betrayal.

Alan Garber, Harvard's provost, adopted the language of edX's profit-maximizing rivals in conceding defeat. "Taking full advantage of [online learning's] potential," he told *The Harvard Gazette,* "will require capital investments at greater scale than is readily attainable for a nonprofit entity like edX." The decision to sell comes as investor interest in higher education has swelled during the pandemic. Coursera, the Silicon Valley online-course provider, went public in March, and Instructure — the maker of the popular learning-management software Canvas — filed for an IPO last week. The Covid Zoom boom has brought the inevitable wave of start-ups hoping to cash in on the virtual college classroom. So it's no surprise that the market value of 2U, after the edX announcement, surged past $3 billion.

Before the sale, edX was academe's public option — a mission-aligned satellite of the brick-and-mortar campus. Now all the major players in the sector are profiteers, legally obligated to maximize shareholder return. As universities offer more web-based courses and degree programs, most of them will turn to online program managers like 2U and Coursera. 2U already runs over 500 such programs for 80 university "partners," numbers that — with the edX acquisition — will more than double. The press-release boast is that the combined firm will reach over 50 million learners.

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Harvard and MIT have, in effect, auctioned off the lecture halls of the future. It's a short-sighted move reminiscent of another infrastructure transfer, in scholarly publishing. As early as the 1950s, academic societies began to mimic the new sales-based commercial model of for-profit publishers. By the turn of the millennium, most societies had handed over their journals to be published by the big commercial players, in exchange for a share of profit. Now most scholarship is published by an oligopolist quintet of information conglomerates that, in turn, charge their college customers usurious fees.

That industry is among the most profitable in the world, in part because academics write and review for free. As the historian Aileen Fyfe has shown, there was nothing inevitable about the joint custody — nonprofit colleges and for-profit publishers — we've ended up with. We owe our current predicament, in part, to the decisions of learned societies who chose short-term cash over their scholar-members' long-term interests. Harvard and MIT have just made the same disastrous miscalculation.

Nonprofits aren't supposed to flip like this. The edX deal seems to have met the letter, if not the spirit, of nonprofit law by selling off its assets — and by parking the $800 million in a new Harvard-MIT nonprofit with a gauzy "inclusive learning and education" mission. The splashy, doth-protest-too-much site detailing the merger states that 2U plans to operate edX as a "public benefit entity," a toothless designation.

Compare the public statements from Harvard, MIT, and edX with 2U's backstage messaging to investors. At the press conference, Harvard's Garber said that the partnership with 2U "indeed is mission-aligned," while the two institutions' presidents, in a joint statement, said the merger would "carry forward" the edX mission on a "whole new scale." With "online education rapidly changing," they added, "it's the right moment for this leap of evolution for edX."

2U, on the other hand, touts the expected post-merger boost in "TAM" (total available market) and "ROIC" (return on invested capital). The company promises to leverage edX's "strong brand equity" — from "initial marketplace experience through the student lifecycle." The nonprofit's "geographic footprint" will enable 2U to expand its "addressable market," which — in a concentric-circle chart — is pegged to $7.3 trillion dollars. The materials claim, unblushingly, that the pandemic has boosted expected "CAGR" (compound annual growth rate) by 2 points. There's even reference to "increasing share of wallet," which doesn't roll off the tongue quite like *Veritas.*

2U's mission is fundamentally misaligned with the university tradition. 2U, Coursera, and their venture-funded competitors are built to squeeze profit from our students, using our faculty and course offerings. Harvard and MIT had no right, in the meaningful sense, to sell us off. None of us — not faculty members, not students — signed up for edX to increase Silicon Valley's wallet share. We will look back on this careless abrogation of stewardship as the tragic squandering that it is.

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