by Jerry Davis

Authoritarianism and Business Education: The Coming Threat from Generative AI

Universities are facing an existential crisis in the United States. The second Trump administration has withheld hundreds of millions of dollars in research funding at targeted universities that include Harvard, Columbia, and Princeton. It has issued a series of demands to curb student protests; eliminate programmes for diversity, equity, and inclusion (DEI); and in some cases sought to change fundamental practices such as how universities admit students and the content of the curriculum.

These challenges come at a moment of great vulnerability for higher education. Rising expenses and lower governmental support are increasing the costs to students. Student debt totals $1.7 trillion, and many alums may spend the rest of their working lives paying off their loans. The high cost of college has driven a movement toward more practical and remunerative majors - in particular, business - at the expense of the traditional liberal arts. At the same time, trust in academia has dropped dramatically in recent years. Gallup reports that the number of people expressing "a great deal" or "quite a lot" of trust in higher education dropped from 58% in 2015 to 36% in 2024. Most of the decline was accounted for by those on the political right: only 20% of Republicans expressed confidence in higher education, perhaps due to the demonization of education by political figures. Moreover, trust in science itself has also been in decline, with nearly four in ten Republicans reporting that they have little or no confidence in scientists to act in the best interests of the public.

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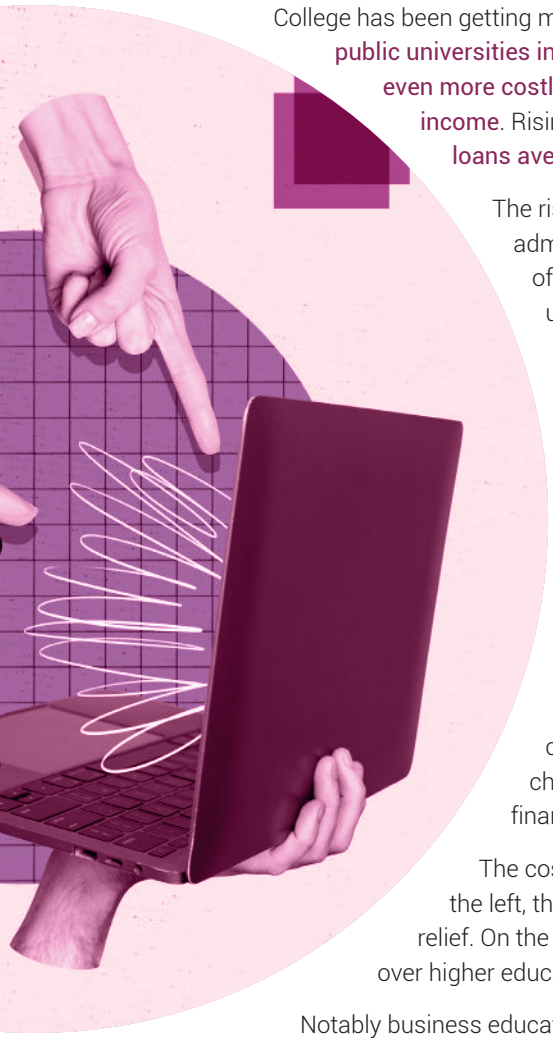
Academic freedom is under assault by authoritarians around the world. From Viktor Orban in Hungary to Ron Desantis in Florida, authoritarians in power are taking direct political control over systems of higher education by installing allies as administrators and dictating what can and cannot be said in a classroom or assigned on a syllabus. Vice President JD Vance expressed admiration for Orban's approach: "The idea that taxpayers should have some influence in how their money is spent at these universities. It's a totally reasonable thing. And I do think that he's made some smart decisions there that we could learn from in the United States." More to the point, he stated: "Professors are the enemy."

In business schools we see this in the retrenchment of programmes and courses around DEI and an attack on 'wokeness'. Political currents continue to push in an authoritarian direction in regard to higher education. The American Association of University Professors (AAUP) reports that since 2021 almost 150 bills have been introduced by state legislatures in the US to undermine academic freedom and faculty governance. State after state has sought to limit tenure, stifle faculty voice, and directly shape what is taught in the classroom – most recently in Ohio, which passed a comprehensive bill to eliminate DEI, regulate classroom discussion, ban faculty strikes, and create post-tenure reviews.

Generative AI is entering higher education within this contentious and politicised context. AI is not a neutral technology: in the hands of autocrats, it can be used to fundamentally reshape how universities (or their replacements) operate in places such as the United States. There is every reason to expect that authoritarians will seek to bend AI's use toward their agenda, as autocrats have done with previous technologies such as radio. Business education is likely to be on the front lines of the coming conflict over the use of AI and the broader struggle over academic freedom. Now is the time to establish principles to guide the responsible use of AI and to resist encroachments on academic freedom in an increasingly authoritarian world.

The Cost Burden of Higher Education and the Rise of Business Schools



College has been getting more expensive for students. Over the past three decades, tuition and fees at public universities in the US more than doubled after adjusting for inflation. Private colleges are even more costly, averaging over $40,000 per year - about the same as the median individual income. Rising cost has driven student debt. Roughly 43 million Americans owe education loans averaging over $38,000 each.

The rising cost of college has many sources - increasing layers of academic administration, compliance costs with ever-expanding regulation, the addition of amenities and services to attract students, required spending on technology upgrades, and declining government support. Some of the cost increase is built in due to the so-called 'Baumol disease'. Economist William Baumol pointed out that the costs of services tend to rise faster than the costs of manufactured goods because manufacturing experiences continuous improvement in productivity, while services often have an irreducible minimum of labour inputs that limit productivity growth. A string quartet cannot get more efficient by playing twice as fast or cutting back from 4 to 2 members. Similarly, education is mostly resistant to automation: the need for face-to-face instruction is not much different than in the time of Aristotle.

College costs have driven two trends: the rise of business and other 'practical' majors, and the politicisation of higher education. Fifty years ago, the most popular college majors were education and social sciences, but business climbed to become the default college major today. Many parents urge their children to study business because it is perceived to be a low-risk option with high financial rewards.

The cost of college is also a potent pocketbook issue with political implications. On the left, the response has been to push for greater government funding and student debt relief. On the right, the response has been to use cost as a vehicle to exert political control over higher education.

Notably business education is generally spared from political scapegoating. When authoritarians want to demonize higher education, they almost inevitably choose gender studies majors and not, say, finance or

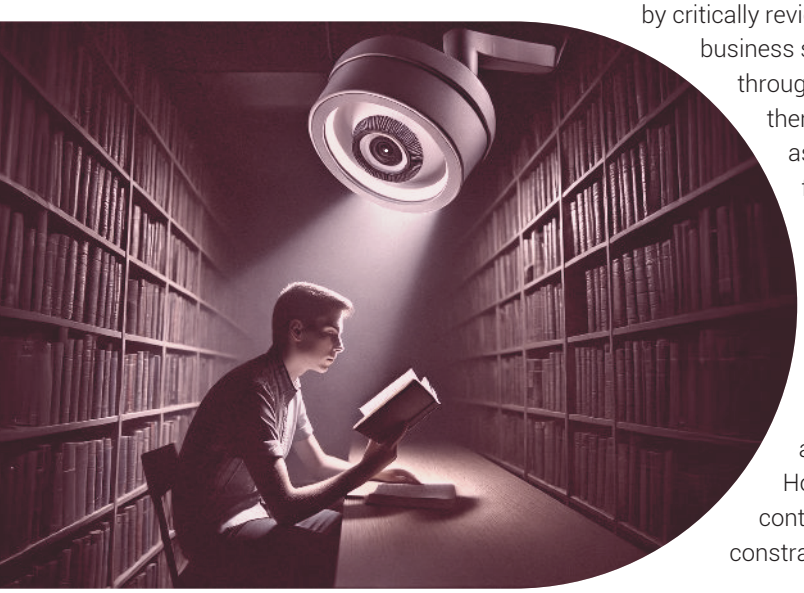
marketing majors. Yet the number of gender studies majors is vanishingly small: in 2022 there were a total of 6658 "Area, ethnic, cultural, gender, and group studies" graduates across the US - about one for every college in America. Meanwhile, 400,000 undergraduates and 200,000 grads complete a business degree each year. However, the broad sector of higher education is under increasing political pressure, and business education will not be immune.

Resurgent Political Threats to Academic Freedom

The defining principles of academic freedom as we know them today originated over a century ago in the US. When John Dewey and Arthur Lovejoy founded the AAUP in 1915 they crafted a Declaration of Principles on academic freedom and tenure. The 1940 update of these principles became a foundational document defining the purpose and value of tenure as an institution, the value to society of academic freedom, and the essential need for protection of scholars from outside interference. It stated:

"The common good depends upon the free search for truth and its free exposition. Academic freedom is essential to these purposes and applies to both teaching and research. Freedom in research is fundamental to the advancement of truth. Academic freedom in its teaching aspect is fundamental for the protection of the rights of the teacher in teaching and of the student to freedom in learning."

Yet concerns about academic freedom being taken too far have a long history. In 1971 future Supreme Court justice Lewis Powell published a memo at the behest of the US Chamber of Commerce on the perceived rise of anti-capitalism in American institutions, including higher education. Powell claimed that college professors (particularly social scientists) were spreading hatred of the American system of free enterprise and that Big Business needed to band together to set things right. He proposed directly intervening in academic institutions by critically reviewing textbooks, demanding time for pro-business speakers on campus, and 'balancing' faculties through suitable channels. From his perspective, there was a bright spot: business schools served as an oasis on campus where corporations and free enterprise had natural allies.



The subsequent five decades have seen coordinated efforts by well-funded foundations and think tanks on the right to 'balance' faculties (e.g., the Olin Foundation's funding of law-and-economics programmes; the Federalist Society's establishment of a network of cells across US law schools). However, suspicion about higher education continued to grow, along with systematic efforts to constrain academic freedom.

In recent years higher education has been targeted by authoritarians and cast as part of the culture wars. In the US, public universities are generally chartered and funded by the 50 states, often giving governors and state legislatures direct channels of intervention over what is taught, studied, and supported. Since 2020 there has been a wave of

efforts across several states to constrain academic freedom, to undermine the institution of tenure, to extirpate DEI programmes, and to intervene directly in the classroom at the level of individual courses and even readings.

Florida passed a series of legislation starting with the "Stop WOKE Act" to constrain teaching about race and gender and other forbidden topics. Policies ranged from eliminating sociology as a core university course (because the field had been "hijacked by left-wing activists") to running electronic scans of course descriptions and syllabi for particular words and phrases to initiate investigations of faculty. An AAUP report concludes that "Florida and other states following suit are part of a global rise in right-wing, nationalistic political agendas that know well the power of a diminished sense of citizenship, increased surveillance, and increased obedience to the state to control citizens for generations to come. They know well that access to knowledge, free inquiry, and education that employs a critical lens to understanding our past and present injustices are among the biggest threats to their dreams of a nation built for uplifting only certain races or religions." Meanwhile, recruiting and retention suffer due to the uncertainties around tenure, and the University of Florida's ranking among public universities has been falling year after year.

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Florida is not alone. Dozens of other states have followed a similar path, ushering in a dark new era in American higher education.

Project 2025, commissioned by the Heritage Foundation, has spelled out the details of this programme, from cutting funding for students and disfavoured academic areas, to creating alternative accreditors to ratify their agenda, to dismantling the Department of Education entirely. Higher education funding, including student aid, should be seen as an investment in the economy: "taxpayers should expect their investments in higher education to generate economic productivity." Presumably we would expect to see even more business majors and fewer liberal arts students. And there is a proposal to create a free online university - the American Academy - that would be funded by "taxing, fining and suing excessively large private university endowments." It would be like a Robin Hood for higher education, perhaps accredited by a newly-created entity that could enforce the state's preferred standards.

The demonization of higher education by authoritarians has had its desired effect. Trust in higher education has declined drastically, particularly among conservatives, and fewer young people view college as a desirable alternative. Whereas most Republicans expressed a great deal of confidence in higher education in 2015, by 2024 just 20% did so. The current administration has used this moment of vulnerability to its advantage in pressing the case against universities.

Enter Generative AI

OpenAI launched ChatGPT 3.5 in November 2022 and within weeks it was clear that this new form of AI would have a profound effect on higher education. Students quickly discovered that this new tool provided a much cheaper and more accessible method for cheating and plagiarism than the previous alternatives. Meanwhile, professors discovered that the tedium of grading could be quietly outsourced to a handy bot. First encounters with this technology thus reinforced what many of us had suspected: reading and writing are hard work, and for many it is preferable to let somebody (or something) do it for us.

In the classroom, we have seen early reports of a collapse of reading and writing, even for low-stakes assignments. Business students have long used online tools to dig up summaries of readings and cases, papers and projects, and copies of old exams. ChatGPT automates much of this process, allowing students to feed in a PDF of a reading or case and request a summary, analysis, critique, and a few smart comments they can utter if they are called on in class. According to some reports, even doctoral students are contracting out the process of doing the seminar readings, and new tools such as NotebookLM make it easy to create an instant literature review by feeding in a stack of articles. The contents of an entire doctoral seminar might be digested in under an hour, yielding a well-read savant for one-on-one tutorials and locating 'gaps in the literature'.

17,000

Sustainability, for instance, published roughly 17,000 articles in 2022 alone.

The impact on scholarly research has been profound. Gen AI quickly underwrote new tools to speed the tasks of research en route to publication, from literature review to data gathering and analysis to writing up articles for submission. The relentless pressure to publish or perish, and the rewards available to those with long lists of publications, suggest that the literature is already filling with AI-generated research right now. AI tools have evolved in wildly expansive ways since ChatGPT emerged, and experienced users often use a diverse set of models specialised to each application (data coding, statistical analysis, coming up with evocative metaphors to frame a study).

$2000+

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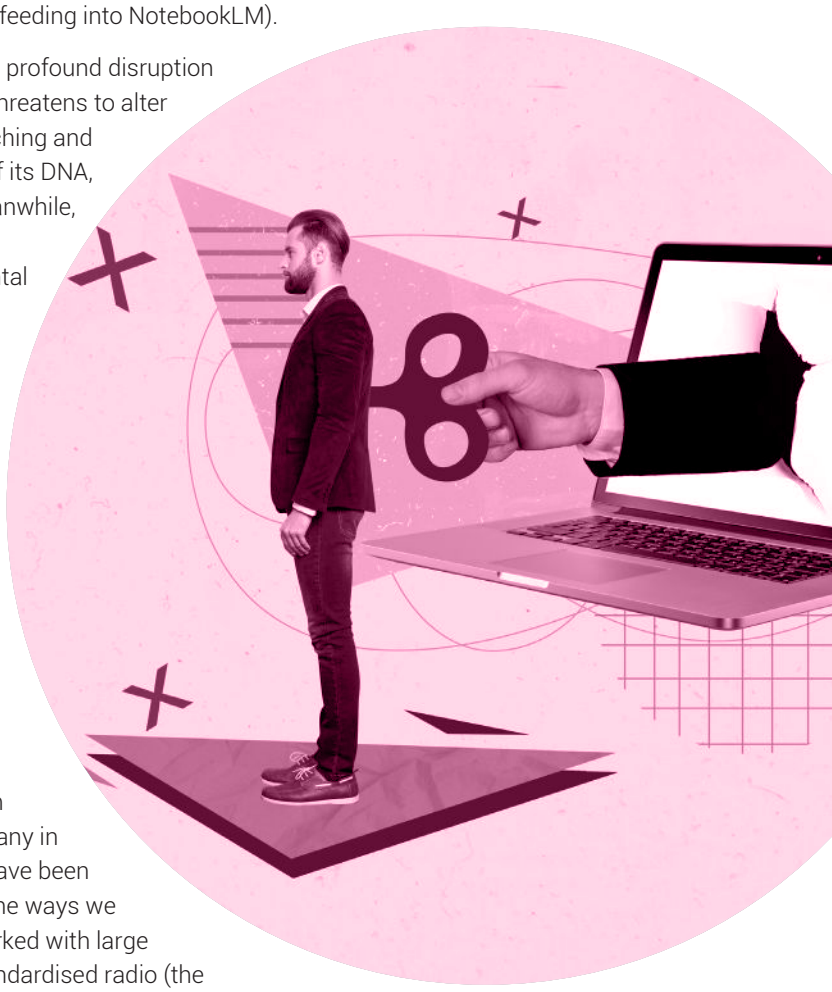
All of this is occurring against the backdrop of a for-profit academic publishing system that has radically increased the number of journals and articles on offer. One analysis showed that the annual number of articles indexed in Scopus and Web of Science increased by nearly 50% between 2016 and 2022 - that is before ChatGPT had launched. For-profit publishing houses have weaponized the "open access" model to extract $2000+ publication fees from academics desperate to publish, and Web publishing means that there are effectively no limits to how many publications can end up 'in print'. Sustainability, for instance, published roughly 17,000 articles in 2022 alone. Career concerns in academia virtually guarantee that soon we will be seeing publications by the millions in online journals whose only readership may be the AI bots that wrote them.

Meanwhile, the skills needed to navigate the literature are atrophying as scholars increasingly rely on Google Scholar and AI to serve as their guide through an impossibly large ocean of publications. As Beth Bechky and I point out in a recent article in Administrative Science Quarterly, Google Scholar has become the sun around which

the academic planets orbit, guiding what gets read and who gets promoted. An opaque algorithmic sorting tool operated as a no-profit side hustle by a monopolistic corporation has become an indispensable companion to navigate what is worth reading (or, perhaps, feeding into NotebookLM).

Higher education is facing perhaps the most profound disruption since the Second World War. Generative AI threatens to alter the most basic aspects of scholarship - teaching and learning and scientific inquiry - at the level of its DNA, starting with how or whether one reads. Meanwhile, authoritarian currents are rising around the world and regard universities as a fundamental enemy of their agenda, requiring root-and-branch reform. And the ever-rising cost of higher education has become a potent political issue. This is our polycrisis.



Authoritarianism and Technology

Authoritarians have been early adopters of information and communication technologies for generations, recognising the power of communications media for shaping narratives and gaining public compliance. Researchers report that the spread of radio facilitated the transition from electoral democracy to dictatorship in Germany in 1933. Goebbels claimed that ''It would not have been possible for us to take power or to use it in the ways we have without the radio.'' The Third Reich worked with large manufacturers to produce an affordable standardised radio (the Volksempfänger or 'people's receiver') for every German family. The radio was limited to frequencies that could be controlled by the state-run broadcasting monopoly, which mandated particular content. The ultimate aim was a propaganda loudspeaker in every home in Germany, giving central control of news and information to the state. The dangers of monopolistic control of industry - particularly information and education - coupled with authoritarian government has been one of the essential lessons of the fascist experience.

Our current technological environment is highly centralised around a small number of Big Tech corporations. The recent antitrust cases against them have revealed just how dominant they are in controlling access to information, from social media to online shopping and work-from-home tools. Unlike radio, which may provide one message to all listeners, ICTs today can be precisely customised in ways that are not always evident to users. Online shopping platforms may offer different prices on the same goods to shoppers based on their background and shopping history. Legal scholar Veena Dubal uncovered large-scale algorithmic wage discrimination in which Uber and other labour platforms 'customise' the offers and rewards to drivers, in part

to keep them on the road for as long as possible. This aspect of technology in principle enables every individual to live within their own informational envelope shaped by a handful of corporations located on America's West Coast.

The dangers of authoritarian control over AI in the context of higher education take two forms. For research, basic access to the literature is now primarily mediated online. While this was initially greeted with enthusiasm - all the world's publications could be available to everyone with an internet connection - it is increasingly clear that relying on a small number of intermediaries for access to the literature poses distinct dangers. Imagine a scenario in which an online tool used to scan and sort the literature became dominant among scholars. Its opaque algorithm determined which articles were featured prominently in search results and which were less prominent, or absent entirely. Its proprietary metrics were used to evaluate faculty productivity and impact. Now imagine that a state or national government demanded that the search results downplay any works mentioning race, gender, Palestine, or socialism. Florida is already seeking to excise disfavoured disciplines (inevitably including gender studies) and using online tools to locate and investigate instructors who may be teaching forbidden topics. AI enhances the ability to police faculty research and writings, and even to prevent it from ever reaching an audience.

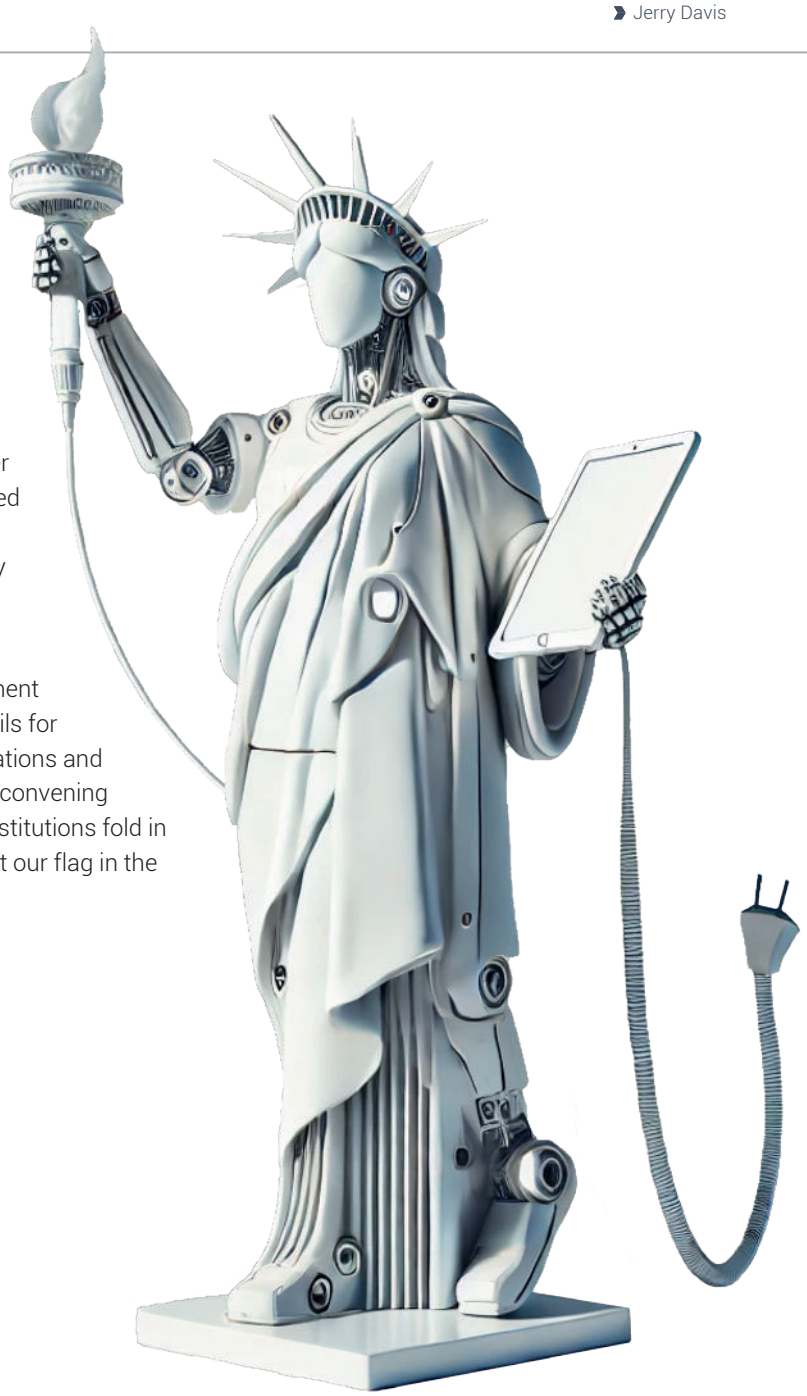
AI can also create customised ideologically-inflected education in line with the priorities of autocrats. Faculty writings and teaching materials can provide a corpus to train large language models on, and it is now a trivial matter to create an avatar for any individual professor. (Martin Seligman's students have already created a Marty-bot based on his writings.) Khan Academy has launched KhanMigo with the support of OpenAI, giving each student an individualised tutor at low cost while also providing instructors with detailed data about how each student is progressing. It is not a large step to imagine college courses taught as individualised tutorials with famous professors, in which the conversations are never allowed to veer onto forbidden topics and instead feature patriotic instruction in the wonders of free enterprise and free trade (or economic nationalism and tariffs, depending on the autocrat).

United We Stand

Authoritarians loathe higher education because an educated population is harder to control. They fear academic freedom because it creates a fact-based alternative to their official narrative. It is no wonder that authoritarians inevitably seek to control or shut down universities.

AI can greatly enhance the mission of higher education – or it can be used as a centralised tool for propaganda and control. We are at a moment when both alternatives are vividly possible.

Now is the time for academic institutions to band together to state boldly their commitment to academic freedom and to create guardrails for the responsible use of AI. Academic associations and accrediting bodies can play a critical role in convening institutions for this purpose. Before more institutions fold in the face of authoritarian demands, let us put our flag in the ground.



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Jerry Davis is the Gilbert and Ruth Whitaker Professor of Business Administration at the Ross School of Business and Professor of Sociology, University of Michigan. Davis received his PhD from the Graduate School of Business at Stanford and previously taught at Northwestern and Columbia. His latest book is Taming Corporate Power in the 21st Century.