

Meanwhile, Chapin shows, there was little in the way of market “logic.” She notes that insurance company executives recognized as early as the 1930s that health insurance would be unwieldy and that costs would escalate. They recognized, in essence, that it made no rational sense. Right they were. Chapin shows that the insurance company model, in almost every way, never really worked, but it took hold nonetheless. Plans covered more and more people—eventually, middle- and high-income workers and the elderly—and offered more and more benefits. All the while, policy prices increased exponentially—by double digits even as early as the 1950s.

Although dysfunctional, the insurance company model dominated, Chapin maintains, because multiple parties fought for it based on their myopic predilection that it was better than increased and visible federal intervention. A similar belief, she suggests, guided the design of the 2010 Affordable Care Act, which, like federal programs before it, was built upon the insurance company model. That should be cause for concern, Chapin suggests, given the model’s history.

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Higher Education and Silicon Valley: Conflicted but Connected. *Edited by W. Richard Scott, Michael W. Kirst, and Colleagues.* Baltimore: Johns Hopkins University Press, 2017. xi + 282 pp. Figures, tables, references, appendixes, index. Paper, \$54.95. ISBN: 978-1-4214-2308-1.

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Reviewed by Will Doyle

The future of economic opportunity in the United States will be determined in metropolitan regions. Metropolitan regions are home to 81 percent of the population and 91 percent of the young population in the United States (U.S. Census Bureau, *Measuring America: Our Changing Landscape* [2016]). These regions have also been the centers of economic development in the United States (Jesse M. Shapiro, “Smart Cities: Quality of Life, Productivity, and the Growth Effects of Human Capital,” *Review of Economics and Statistics* [2006]). In the coming decades, the populations of regional economies that can create a broad middle class must have increased educational skills, particularly education and training beyond high school (Claudia Goldin and Lawrence F. Katz, *The Race between Education and Technology* [2008]). These increases in human

capital must happen among young people who traditionally have been poorly served by our current system of postsecondary education, particularly African American and Hispanic youth (Neil Murray and Christopher M. Klinger, eds., *Aspirations, Access and Attainment: International Perspectives on Widening Participation and an Agenda for Change* [2013]).

The book *Higher Education and Silicon Valley*, edited by Richard Scott, Michael Kirst, and colleagues, provides a crucial contribution to the conversation regarding how higher education develops human capital in metropolitan areas. The contributing authors observe two broad fields—industry and higher education—in the San Francisco Bay Area that interact to establish the characteristics of the regional economy. The authors demonstrate how the development of industry in the Bay Area—successively dominated by defense, integrated circuits, personal computers, the Internet, and social networking—has been both aided by the system of higher education and also, in many ways, poorly served by a system of higher education that acts according to its own set of norms of behavior and professional goals. The authors find that the current system of higher education has responded inadequately to the workforce demands of Silicon Valley, particularly in the last twenty years. High-demand programs that could meet workforce needs are routinely impacted, and institutions and their leaders have been slow to react and to adapt to changing circumstances.

This is an important book because it charts in careful detail how industry and higher education exist largely in separate worlds, with different definitions of success and different incentives. The institutional logics of Silicon Valley emphasize the use of information technology to rapidly develop business opportunities and to monetize both extant human capital and novel research findings. Higher education has historically been concerned with openly sharing research findings without regard to monetization while at the same time advancing human capital in ways that reduce inequality. While industry and higher education in the Bay Area are clearly interdependent in terms of developing human capital and creating new knowledge, both their means of and reasons for doing so are in constant conflict.

The book substantially improves upon the extant literature. In the field of higher education, few books have seriously considered the conflicting institutional logics that affect industry and higher education, instead focusing primarily on how the logic of “academic capitalism” has changed the operation of institutions of higher education or how industry operates as an unwelcome influence on colleges (Sheila Slaughter and Gary Rhoades, *Academic Capitalism and the New Economy* [2004]; David L. Kirp, *Shakespeare, Einstein, and the Bottom Line* [2004]).

The book is extraordinarily well written and researched. It draws on a wealth of data sources, including interviews, documents, and quantitative data analysis. I particularly appreciate the way in which the authors go beyond administrative and government data sets in order to collect information on topics such as the institutions of higher education that are in operation in the Bay Area and the wide variety of educational credentials that individuals might receive, many of which are not traditionally recognized by accreditors or government agencies.

Scott and Kirst and colleagues place nearly all of the blame for the disconnect between industry and higher education on the differing fields that inform higher education and Silicon Valley. In this, I think they miss the key role that policy has played in creating and maintaining the human capital that makes Silicon Valley possible and the recent policy failures that have led to the current disconnect between the needs of industry for an educated workforce and the capacity of institutions of higher education to respond. The book contains a lucid discussion of how the East Bay—the most racially and ethnically diverse part of an already diverse region—has not developed its pool of human capital in the same way as the South Bay and San Francisco. This lack of development has little to do with institutional logics and everything to do with poorly designed public policy. In the 1990s, California policymakers embarked on a misguided effort to build public campuses in places where few people lived and fewer industries existed, resulting in campuses such as UC Merced and Cal State Monterey Bay. Imagine what could have been if the resources poured into isolated campuses in remote parts of the state had instead been used to increase educational capacity in the highly populated and economically vibrant areas of the state, like the East Bay.

The authors provide eminently reasonable solutions for the Bay Area, particularly the creation of regional entities that serve to speak for the public interest and include stakeholders from industry, higher education, government, and K–12 education. These seem like a good start, but I'm skeptical as to whether this is enough. State policymakers in concert with local elected officials will need to play a much more active role in aligning higher education with public needs for the Bay Area to remain as economically vibrant as it has been in the past.

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