

Print Edition

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We asked too much of the American university

BY NOAH SMITH • NOAHPINION • 24 JULY 2026



Photo by Ajay Suresh via Wikimedia Commons

The story of the rise and possible impending fall of the American university system is, in many ways, the story of modern America. It ties together the changes in our culture, our economy, and our politics since the mid-20th century. Understanding why universities came to be our most important and most functional institution, and why that model is now under threat, can help us understand how our country might look different going forward.

Let me try to tell a condensed version of that story.

The United States used to have a bunch of institutions that bound us together and forged us into a unified society. Many American communities were centered around churches; these facilitated networking, helped people find spouses, provided community services like day care and mutual aid, and homogenized values and culture at the local level. During the World Wars (and to a lesser extent, the Vietnam War), the military was very large and threw together Americans from various social classes. In the early postwar decades, corporations were also a unifying institution. Mass media provided us with shared cultural context. Even public transit put people of various backgrounds in close social contact on a daily basis.

In the half-century from around 1970 to 2020, those unifying institutions became much weaker. Church attendance slowly declined and then fell off a cliff in the 2010s. The military shrank into a small, professionalized volunteer force. Corporations ended their brief flirtation with lifetime employment, and outsourced many of their roles. Mass media fragmented in the age of the internet. Public transit dwindled in importance as Americans moved to the suburbs and drove.

As the country's unifying institutions withered, one new institution attempted to step into the void: the American university. Universities were not new in the late 20th century, of course, but mass attendance certainly was. From 1970 to 2020, the share of Americans age 25-29 with a bachelor's degree went from 16.4% to 39.6%. Around two out of three have completed some college.

College went from something that only the upper crust did, to something that most people were expected to do if they wanted to be economically successful in life. This expansion inadvertently but inevitably thrust a new role on American universities — that of a *broad socially unifying institution*. College was where people from a variety of backgrounds mingled and mixed — not just in classes, but in dorms, campus activities, and college towns.

College became the new church, the new military, and the neighborhood bowling alley all rolled into one. Instead of preachers homogenizing Americans' values from the pulpit, university administrators taught college kids to value things like diversity, consent, and so on, and college students hashed out their own differences in millions of late-night dorm room discussions. Instead of meeting their first love in high school, Americans increasingly delayed sex until college; many of these relationships turned into marriages. Young people went into college as children and came out adults.

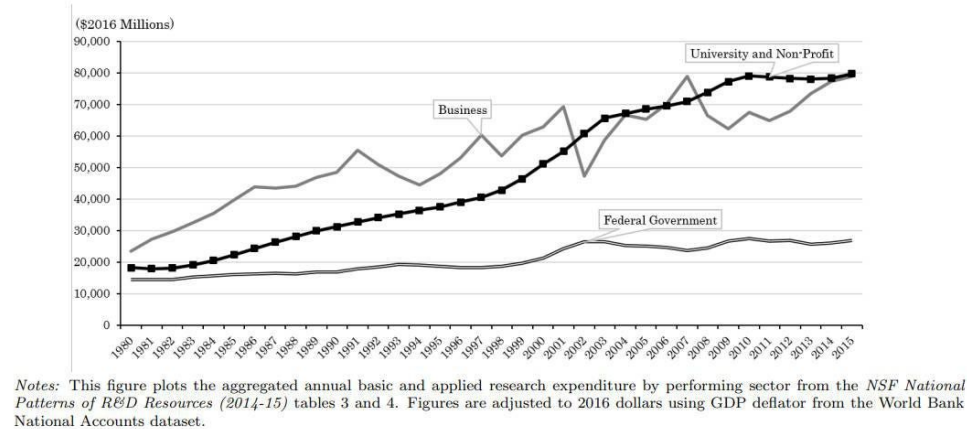
This was a heavy burden to bear for an institution that hadn't been designed for it. But American universities were accustomed to taking on big new duties. Our universities began as essentially a copy of the British model — teaching-focused institutions designed to provide broad education and mentorship to the upper class. In the early 20th century they tacked on the German model — a research-focused lab apprenticeship system by which top scientists taught other top scientists and readied them for research jobs while also producing cutting-edge basic research.

This dual system enabled a remarkable form of *cross-subsidization*. Undergrad tuition payments — and state support for undergrad education,

and undergrad alumni gifts — created a flood of money that paid for grad student stipends, lab facilities, professor salaries, and more. The federal government and companies also funded university research, of course, through grants and sponsorships. But undergrad money was a huge tailwind. And the prestige generated by successful and famous researchers helped universities charge undergrads more.

The hybrid of the old British and German models was naturally symbiotic, and it meant that even as America's other institutions came under pressure, universities thrived and grew — especially once they used their prestige to attract high-paying and highly skilled foreign students from around the globe. Universities became the lynchpin of America's research effort:

Figure 6: U.S. APPLIED & BASIC RESEARCH EXPENDITURE BY PERFORMING SECTOR (1980-2015)



Source: Arora et al. (2019)

American universities had a lock on both the nation's research output and on its production of human capital, and those roles were mutually reinforcing.

I suspect that their success at handling education and research at the same time probably gave American universities a lot of confidence about their ability to handle society and culture as well. Colleges spent more and more on dorms and “student services” and hired administrators (many of whom dealt with undergrad life) at an astonishing rate.¹

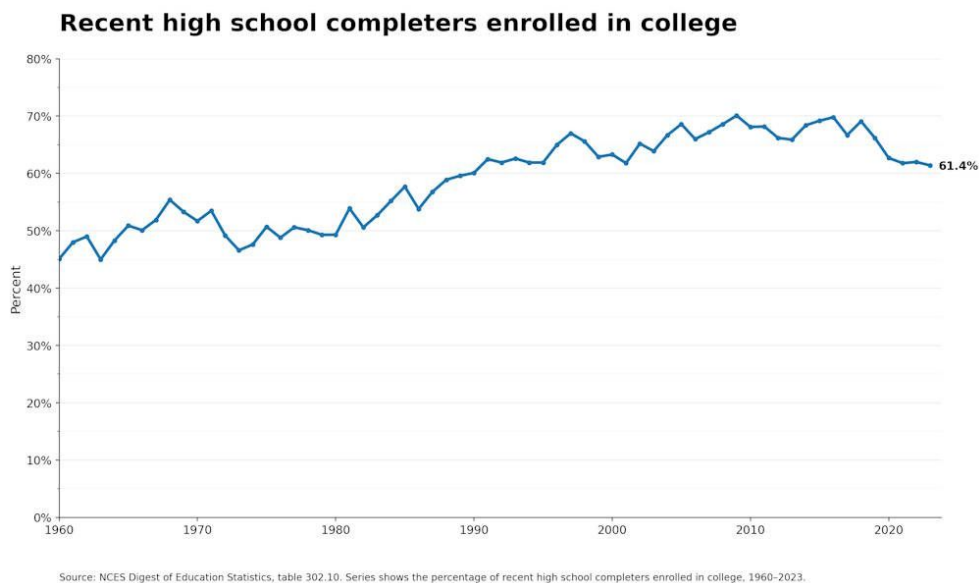
But replacing churches, the military, and the neighborhood bowling alley proved harder than replacing the corporate lab had been. There was just one basic problem with college as America's primary unifying institution, which is that not everyone can go to college.

First of all, college is difficult. To complete college courses, you need some degree of raw intelligence, but you also need work ethic and a certain degree of independence. As much as we might like to believe otherwise, not everyone in America has those traits, and we don't yet know how to instill them in everyone. As a result, there's a limit to how much you can expand college enrollment — and college completion — without loosening standards.

In fact, loosening standards is exactly what American colleges have done. Universities have necessarily become less and less selective over the years, as they have taken in a larger and larger fraction of the young American population. For a while, this led to lower college completion rates, but in the 1990s, more and more students began finishing their bachelors' degrees. Why? Because colleges implemented grade inflation, making it easier to finish school without learning the material well. Here's Denning et al. (2021):

We find that most of the increase in graduation rates can be explained by grade inflation, and that other factors such as changing student characteristics and institutional resources play little or no role. This is because GPA strongly predicts graduation and that GPAs have been rising since the 1990s. This finding holds in national survey data and in records from 9 large public universities. We also find that at a public liberal arts college, grades increased holding performance on identical exams fixed.

At some point, though, this process hits a wall. A large fraction of young Americans just isn't prepared for college, even with grade inflation, and doesn't end up going. College enrollment by recent high school graduates plateaued in the early 2000s and actually fell back to early 1990s levels during and after the pandemic:



Source: NCES via GPT

CONTINUES ONLINE · <https://www.noahpinion.blog/p/we-asked-too-much-of-the-american>

GDPR reform alive again? July update

BY MIKOŁAJ BARCZENTEWICZ · HOW EU LAW INFLUENCES TECH · 30 JULY 2026

Last month, I argued that the Digital Omnibus risked giving even more control over the GDPR to privacy regulators whose interpretations created our current problems (EU Digital Omnibus Hands the Wheel to the Referee). However, it looks like an influential group of EU national governments is pushing for a more sensible direction. Procedurally, such a change of direction is enabled by the new Irish Presidency of the EU Council, which took over from Cyprus for the second half of the year. Instead of re-using the bad draft prepared by Cyprus, Ireland reopened substantive discussions over the Commission's Proposal on key points like pseudonymisation, cookie consent, and AI processing.

That said, early indications from the European Parliament suggest that any serious reform ambitions will face obstacles there. Its joint ITRE-LIBE draft report leaves the Commission's most contested GDPR proposals in place for now, but the co-rapporteurs' public positions and the large volume of subsequently tabled amendments show how unsettled the file remains.

There is also relevant news from the data-protection authorities, which don't formally legislate, but who have been very influential with some national governments. The European Data Protection Board published its Guidelines on the distinction between personal and anonymous data, finally accepting in principle the chief substantive point of the Commission's proposal (the entity-relative view). However, the EDPB Guidelines also show why a procedural reform is the most urgent: as usual, the EDPB could not bring itself to provide guidance that is practically useful for anything other than increasing lawyers' billable hours.

Procedural moves since June

The Council (national governments). The Cyprus Presidency of the EU Council tried to get the EU national governments to agree on a common legislative position that would have made the GDPR situation even worse than having no reform at all. A week before the end of its Council role, Cyprus delivered another compromise draft following the one I commented on previously. However, Cyprus did not succeed as several governments objected to the approach (this group reportedly included Denmark, Germany, Italy, Poland, and Sweden, among others). We don't know for certain what the reason was for this, but reports suggest that it was due to insufficient simplification ambitions. If that's the case, then we may still have some hope for this reform process. The new Irish Presidency decided not to carry over the draft text prepared by Cyprus. Instead, they circulated a questionnaire to other national governments to revisit cookie exemptions, pseudonymisation, AI data processing, and reductions in compliance burdens.

The Parliament. On the EU Parliament side, the parliamentarians in charge of leading the legislative negotiations published their draft report in late June. This report will be considered by the two committees that share the lead responsibility for this legislative file: the Committee on Industry, Research and Energy (ITRE; rapporteur Aura Salla of the European People's Party), and the Committee on Civil Liberties, Justice and Home Affairs (LIBE; rapporteur Marina Kaljurand of the Socialists and Democrats). (Two other committees, JURI and IMCO, have opinion competence, and we have drafts of their opinions). This joint ITRE-LIBE draft report should be treated as an expression of what Salla and Kaljurand were able to agree on relatively quickly, which is why it does not touch hot issues like the Commission's proposed clarification of the definition of "personal data." How much debate there is going to be is illustrated by the large volume of amendments proposed aside from the ITRE-LIBE report. Notably, both Salla and Kaljurand suggested they will push for amendments on issues left alone in the draft report (like the definition of personal data).

EDPB's guidelines on anonymization and personal data. The European Data Protection Board published new Guidelines on anonymisation, which are directly relevant to the Commission's Proposal. The EDPB finally admitted in that document that whether information should be treated as anonymous (and thus not as personal data) depends on the situation of the entity processing the information (the entity-relative view). This is broadly what the Commission wants to clarify in Article 4 GDPR, which contains the definition of personal data. However, the EDPB Guidelines surround the core point with more far-reaching and less concrete qualifications than what the Commission would likely have done. I'll come back to this in a moment.

The "AI Omnibus" entered into force. Meanwhile, a much less controversial sister Digital Omnibus proposal, touching the EU AI Act, entered into force this week. The "AI Omnibus" postponed some compliance dates, added a new prohibition on AI-generated child sexual-abuse material and non-consensual intimate imagery, and extended the legal basis for using sensitive personal data to detect bias in AI systems.

Where are we with substantive issues?

The GDPR's scope: the effort to clarify the definition of "personal data" may fail, but that's a symbolic issue. From what's been reported about the last weeks of inter-governmental negotiations under the Cyprus Presidency, it looks like there is a significant opposition in the EU Council to the Commission-proposed clarification of the definition of personal data in Article 4 GDPR. This aspect of the Proposal is also facing opposition in the Parliament. Even though I've been supporting the proposed clarification, I continue to stress that its significance is mostly symbolic, especially since the EDPB also officially accepted the core principle (the entity-relative view) in their Guidelines on anonymisation.

Some will argue that even if it may be acceptable to clarify the definition, this needs to come with more qualifications - along the lines of what

the Guidelines say. Or even that, given that the EDPB said they accept the entity-relative view, no change in Article 4 is needed.

Whereas, I would point out that the Guidelines - characteristically for the EDPB - provide very little clarity and almost look designed to be operationally difficult to implement (other than by assuming everything is always personal data). Which is why the most important changes proposed by the Commission are those that give it, not the EDPB, powers to make implementing acts, helping to define key concepts like pseudonymisation and personal data. If anything, those powers should be strengthened to be capable of providing strong legal presumptions of compliance. Notably, the Commission's Proposal makes compliance with a Commission implementing act only "an element" in analysis, not a robust legal presumption.

We need practical guidance with legal force. What really matters is whether there will be more detailed guidance allowing anyone processing EU data to determine what concrete measures remove them from the scope of the GDPR (i.e., that they are not processing personal data). The EDPB, in its Guidelines on anonymisation, once more proved that it is institutionally incapable of delivering such guidance.

Beyond the substance of such as-yet-nonexistent guidance, it is also crucial for it to be capable of creating strong legal presumptions that following the guidance constitutes lawful behaviour. One amendment going in that direction has been proposed in Parliament by a Polish MEP, Piotr Müller (Amendment 398). The ITRE-LIBE rapporteurs' draft report doesn't yet change the relevant provision (Article 41a), but the general tenor of that report, as well as many of the parliamentary amendments tabled, goes in the opposite direction: to preserve or even strengthen the role of the EDPB.

Cookies and browser-level consent. The weakest part of the Commission's Proposal related to the cookie-consent law (Article 5 of the ePrivacy Directive) has understandably been unpopular with the national governments to the extent that the Cyprus Presidency reportedly dropped it from its last draft. The Irish Presidency reopened this at least partially, reportedly asking about a possible expanded whitelist of activities that would not require consent (it's not clear whether they asked about browser-level consent). The ITRE-LIBE rapporteurs' draft report left this part of the Proposal intact. The amendments tabled by other MEPs cover the spectrum of possible options on the ePrivacy consent requirement: from simply applying default GDPR rules instead, to adding more listed exemptions, to restricting the scope of exemptions. Similarly, regarding the Proposal's browser-level consent, MEPs diverge between deleting the idea and expanding its scope of application.

AI provisions. The Proposal's two provisions most relevant to AI are its Article 88c (clarification that GDPR provides a legitimate-interest basis for AI development and operation) and Article 9(2)(k) (a derogation for special-category data that appears incidentally in AI training). In my early June comments, I reported that in the Council draft texts "Article 88c has disappeared from the operative text, but much of its substance survives in Recital 33a" whereas "Article 9(2)(k) survived, albeit in narrowed form." Under the Irish Presidency, it looks like those issues are also open. Like

with the cookie-consent provisions, the ITRE-LIBE rapporteurs' draft report did not suggest changes to this aspect of the Proposal. Other tabled amendments diverge between deleting the AI provisions and expanding them.

I'm watching the issue of a derogation for special-category data that appears incidentally in AI training (i.e., Article 9(2)(k)) especially closely, as I think it may be the most directly consequential positive change proposed by the Commission. As I wrote in the March ICLE Comments:

Article 9(2)(k) addresses a practical constraint of large-scale AI training: special categories of personal data will inevitably appear in training datasets despite efforts to exclude them. ... Perfect *ex ante* filtering is technically impossible. ... Without Article 9(2)(k), controllers face a binary choice: guarantee perfect exclusion of special-category data or abandon AI training in the EU.

What happens next?

On the Parliament side, the deadline for tabling amendments passed on 15 July, with more than a thousand amendments submitted. The first ITRE-LIBE draft report is far from settling the Parliament's overall position. The lead rapporteurs will work through the autumn on negotiating compromise amendments, while also waiting on a targeted impact assessment. The way things look now, Parliament's negotiating position seems unlikely before February 2027. Meanwhile, the EDPB's consultation on its anonymisation guidelines closes on 30 October.

In the Council, we'll see if Ireland can achieve during its six-month Presidency what Cyprus could not: an agreed negotiating position. We don't know how Ireland plans to structure its work once it receives questionnaire responses from other governments. The next Council Presidency compromise text should tell us much more.

Monthly meetup at Doheny & Nesbitt's

BY PROGRESS IRELAND · PROGRESS IRELAND · 23 JULY 2026

Our next monthly meetup will be held at 5.30pm-7.30pm on Wednesday 29th July. It's a chance to talk policy, chat with the Progress Ireland team, and hopefully make some new friends.

▢ Add to your calendar: [Google](#) · [Outlook](#)

The details:

We'll meet upstairs in Doheny & Nesbitt's, Baggot Street Dublin. Look out for chalkboards which will point you in the right direction.

To kick things off, Seán Keyes will talk about the posting-to-policy pipeline: how being online and sharing ideas can change things in the real world.



Any queries should be directed to Sarah Scales on X (@sarahjscales) or LinkedIn (<https://www.linkedin.com/in/sarahscales/>).

We hope to see you on Wednesday.

Seán, Seán, Sam and Sarah.

241. Distillation Is Not Anti-American, Weaponizing It Is

BY STEVEN SINOFSKY · HARDWARE SOFTWARE BY STEVEN SINOFSKY · 23 JULY 2026



Sarah Heck ✓
@SarahKHeck



Thanks [@mkratsios47](#) for speaking out on this important issue. Illicit, adversarial distillation is IP theft and industrial espionage that supports adversary military and intelligence capabilities. It is a national challenge that creates serious national security risks for the United States and democratic allies. We'll continue to crack down on it and work with the Administration and Congress to maintain American AI leadership. 🇺🇸



Director Michael Kratsios 🇺🇸 🏢 @mkratsios47 · 10h

We have information that Moonshot AI distilled Anthropic's Fable for the development of its K3 model.

To do this they developed a sophisticated internal platform to conduct large scale distillation against U.S. models, allowing them to quickly switch betwe...

11:30 AM · Jul 22, 2026 · 52.1K Views

Xeet from Director OSTP and a quote from Anthropic policy leader. This post discusses the broader concept of this effort.

This above makes me sad. It always makes me sad to see tech companies in litigation in general and in IP litigation specifically. This compounds when any company seeks to do so under the cover of using the whole of government, trade l...