

Whose universities are they now?

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Even the University of Oxford no longer identifies itself as a public institution. As with Australian universities it has a range of roles and stakeholders, says Malcolm Gillies.

Once upon a time we believed in universities that were public, secular and free. Some countries of Europe still cling to that vision as a core tenet of their national democracies. University education, in this formulation, is open to all citizens, based upon rationality rather than faith, and is an uncosted service to all who qualify.

For most of the English-speaking countries the full vision of public, secular and free universities was fleeting. In Australia it lasted for barely a decade before, in the mid-late 1980s, all three of its attributes came under some degree of challenge. In Britain the era lasted somewhat longer, but Britain, too, succumbed, sometimes adopting Australian solutions such as income-contingent student loans.

I recall one of my first meetings as a junior academic at the University of Melbourne. We were debating whether the university should accept an endowed chair. I cannot remember what the final decision was, but the most vociferous argument went like this: the public purpose, and with that the independence, of the university would be irrevocably compromised by accepting money from a commercial entity, albeit a law firm. A student achievement prize in the firm's name might be acceptable (but preferably should be given as books), but an endowed chair went far too far.

The scandal was almost akin to cash-for-honours, with the university's good name (the honour) being put up for grabs.

Beyond the dwindling number of true believers in Europe, universities around the world are now highly mixed enterprises, with different parts displaying alarmingly different economies, some reminiscent of Cold War Eastern Europe (the arts faculty?) and others more like the Yukon in a gold rush (the business school, on a good day?).

The strategies used to maximise mission effectiveness with undergraduate national students will be utterly different from graduate off-shore international students, although the end result, a quality education, may well be the same.

Research funding introduces economies and bottom lines of a surprising number. And the range of partnership, franchise, articulation and property-development agreements keeps university legal bills growing apace. What is surprising is that as the public contribution to, sometimes called investment in, public universities continues to drop, as a percentage of university budgets, the public accountabilities only continue to grow.

Are our public universities of old still public? Mostly they are, in name, although their daily behaviour might suggest otherwise. Oxford University, in replying to a draft plan of

the Higher Education Funding Council of England in 2003, asserted that it was “an independent, self-governing organisation, responsible for its own management and development”.

This autonomy, like that of the 39 Australian universities (including two that are private), does not mean that Oxford is a private institution. The only British private university, the University of Buckingham, claims that status through being “independent of direct government support”, something that Oxford could not currently afford to claim.

With the growth internationally of faith-based, for-profit and “charitable” educational institutions questions of who owns universities, what values they foster, and who gains which benefits become more fascinating than before. Georgetown University in Washington DC is a Catholic university, yet its School of Foreign Service is the leading trainer for the US State Department, a very public (although secretive) entity, and the US diplomatic corps, once a bastion of American WASP-ishness.

The University of Phoenix is a for-profit, private university, owned by the Apollo Group, a public company worth \$2.7 billion. Harvard University is a private, not-for-profit university but with an endowment of \$36 billion, earning last year more than Apollo is worth. Yet, Phoenix pays many taxes that not-for-profit Harvard does not – a sore point with the tax-payers of Boston, who often have to pick up the short-fall .

Britain is currently going through a row over the charitable status of leading private schools (or, as they call them, public schools), which has some lessons for the more private end of university business also. Once it was assumed that a school would have charitable status, but now charities are required to show that their benefits are available to “the public”.

That is, if the schools cannot demonstrate that public benefit then they risk being classed as private clubs or as “businesses”. The rub comes in trying to transfer from being a charity to being a business. Your charitably acquired land, money and other assets cannot just be slewed across into the new business entity.

The distinction between public benefit and private benefit-led Australia to develop its distinctive government-student partnership in university funding, with the student paying a contribution in lieu of the private benefit bestowed by the education and the government picking up the public benefit.

Now, a much more full slate of benefits needs to be developed, reflecting the many different stakeholders in a university’s activity.

With constant injunctions to produce graduates for industry, the benefit of businesses, professions and the corporate world come into play. What should they contribute for the workers or fellow professionals that they want? The benefit of broader society and the globe are now also distinct from public (or national) benefit, and highlighted by university calls for increasing global citizenship.

And there is a benefit university staff know so well – that from and to the networks of disciplinary-based scholars (sometimes known as cartels, when they resort to citation clubs or closed peer review).

Whose universities are they? Here is an answer. In name often still public, but in law autonomous, in behaviour independent, in balance sheet increasingly private, and with values reflecting the interests of their multiplicity of stakeholders, hopefully including students, staff and alumni.

Malcolm Gillies is vice-chancellor and president of City University London, and former President of CHASS. This article is drawn from his keynote address ‘Whose Universities for Whom? Moral Questions’ given at the Australian Higher Education Congress held in Sydney on 17-18 March.