According to a report published by Universities UK in May of this year, British higher education institutions contribute GBP 45 billion to the national economy. A few years ago, the Business/Higher Education Round Table estimated that universities contribute AUD 22.11 billion to the Australian economy. Harvard says its economic impact is more than USD 3.4 billion, just ahead of the University of California at Irvine, which measures its impact at USD 3.3 billion. These are all impressively big numbers. They have to be, because these studies are designed to convince governments and benefactors that they are getting good value for the money they give to higher education.

If these claims are simply a form of public relations, then I guess they do little harm. But what if someone actually started taking them seriously? Governments might want to know how a university’s economic impact compares with the effects of a new airport, or factory or with simply giving the billions spent on higher education back to citizens through tax cuts. All of these alternatives create jobs and wealth, probably more efficiently than do universities. So, if economic growth is the goal, why bother funding higher education?

Apart from their spurious precision, the problem with these economic analyses is that they omit any reference to the purpose of universities. Instead, universities are defined purely in economic terms – they are good because they help to grow the economy. If we wanted to, we could measure the economic impact of theatres or museums or orchestras the same way – and with the same meaningless result. If universities have their own special purpose then they should be assessed on how well they achieve this purpose, and not on some other criterion.

This brings me to the main question of this talk. If universities are not just a way of growing the economy, then what are universities for?

Many people have tried to answer this question.

For example, the authors of the Magna Charta Universitatum, which underpins the Bologna Process, believe that a university “is the trustee of the European humanist tradition”. This sounds like a good start, but, like many declarations, it is pretty vague. After all, can anyone in the audience today define just what is meant by the “European humanist tradition?”

The American academic and administrator, Clark Kerr, was a bit clearer. He believed that universities have a moral purpose. According to Kerr, universities should not only create knowledge, but should also articulate “the values that our knowledge should enable us to serve” (Kerr, 1958). The former Minister of National Education of Romania and distinguished academic, Andrei Marga, also sees universities as moral
institutions. According to him, “The human life meaningfully lived implies solid values, and their
cultivation, including ethically, [and this] requires the action of universities.” (Marga, 2004) As the former
Stanford University President, Donald Kennedy, puts it, there is a “deep relationship between knowledge
and values” (Kennedy, 1997, p. 9) and universities play a “decisive role in the formation of a vision about
society among its graduates” (Marga, 2004, p. 479).

What do Kerr and Marga and Kennedy have in common? They all focus on values and they all worry
that, without a clear moral purpose, universities will lose public support. And they should worry, because
this is precisely what is happening.

Newspaper articles reveal some depressing observations about modern universities. Writers claim that
universities have been “corrupted by their scrabbling for money”; “there are few rules to govern how
institutions behave”; “naked self interest” governs international student recruitment; and “political
correctness and the cult of liberal ideas are causing discrimination in universities and suppressing debate”.  

Middle-eastern commentator, Yusuf Al-Khabbaz, writes that western academia “has fundamentally
lost its sense of purpose and direction” (Al-Khabbaz, 2005). American academic, David Kirp, says that,
since the 1970s, universities have opened their doors to a far greater diversity of students and faculty, but
he asks – “… into what kind of place, with what values, are these newcomers gaining membership?” (Kirp,
2003, p. 260)

In the course of my lifetime, universities have dramatically altered their moral compass. Consider the
story of Jonas Salk. In 1955, he launched a human trial of the polio vaccine he had developed over years of
research. It was hugely successful, and Salk became famous. But he did not become rich. He did not try to
gain monopoly profits by licensing his discovery to a single drug company and neither did the University
of Pittsburgh where he worked. Instead, they licensed the vaccine to many companies. Salk, and his
university, wanted the vaccine to be widely disseminated; money was never their goal.3 No one working in
higher education could imagine this happening at any American university today. Everyone knows that
universities desperately need the money that comes from monopoly profits. In Salk’s day, universities had
well-understood moral purposes, and people trusted them. Today, universities are just another set of
commercial players.

Of course, universities have to be competitive and commercially-oriented. They cannot afford to be
(nor should they be) against making money. There is nothing illegal or improper in universities trying to
exploit the commercial value of their intellectual property. But commercial transactions carry their own
ethical imperatives, which may not always be compatible with academic values or the best interests of the
larger society.

Let me illustrate some of the problems.

In a recent survey of 2200 medical scientists, 410 admitted to holding back publication of their
research results. They wanted to ensure that they, and their commercial sponsors, had time to safeguard
their property rights (Newman, Couturier and Scurry, 2004). Commercial considerations not only influence
when results get published, but also what results get published. For example, a Stanford University study
found that 98% of the research papers sponsored by drug companies report that the companies’ drugs are
effective. In contrast, only 79% of non-company-sponsored research papers report positive results
(Washburn, 2005).

Holding back research results is not illegal, but when it happens, bedrock academic values – openness
and the free expression of ideas – collide with the commercial necessity to protect profits. And profits
usually win. If universities were just businesses, then no one would worry about profits coming first. But
profit-making institutions do not have much of a claim to continuing public subsidies. After all, why should the taxpayer subsidise an institution that benefits from monopoly profits?

You see, despite the claims to the contrary, universities are not public goods that require government subsidies. Higher education can be financed and provided privately, and it often is in the USA and elsewhere. Moreover, as economic impact studies show, universities confer many private benefits on graduates and others. There is, however, an important way in which universities serve the general public. If too few students choose to attend university, society will miss out on the social benefits of having more graduates. For this reason, it is in the public’s interest to subsidise universities out of general taxation.

Of course, this argument rests on my premise being correct – that graduates benefit society. But do they?

The social benefits of universities are rarely debated. Media discussions of universities focus on their status and the achievements of their students and staff. Little is said about what universities are trying to achieve for society. As we have seen, when asked to justify government subsidies, universities respond by stressing their utilitarian nature. They have put so much emphasis on this aspect of their activities it is not surprising governments have become convinced universities exist mainly to confer economic benefits. The social benefits of universities hardly rate a mention.

What are the social benefits of universities?

Nobel Laureate Friedrich Hayek argued that social institutions should be judged by the extent to which they promote human liberty and freedom (Hayek, 1994). This is not a bad yardstick to apply to universities. In theory, at least, universities can promote liberty and freedom in four ways: by producing graduates who promote liberty; by giving graduates the freedom to choose how they will live; by encouraging diversity; and by instilling in graduates a set of liberal values and ethics.

Preparing competent persons for work is a way to foster freedom. Lawyers can advance the cause of justice, for example, while doctors liberate the sick from disease and suffering. Scientists and engineers make discoveries that free people from drudgery. More generally, through discussions with academics and other students, and through participation in clubs, politics, and sports, students learn the building blocks of a free society – freedom of expression, tolerance and respect for intellectual debate. And, let us not forget that education gives people the freedom to choose how they will work, and live.

Universities also promote freedom by promoting diversity. One of the benefits of attending an Australian university is the opportunity to meet students from around the world. By living and studying together, students get the opportunity to see the world through one another’s eyes. Diversity deepens students’ understanding and tolerance for others. Students do not only learn from lecturers, some of their most important lessons are learned from one another.

Universities can also promote freedom and democracy by building character. Indeed from ancient times right up to the 19th century, it was taken for granted that the main purpose of education was moral. However, with the decline in religion (at least western religion) it has become impossible for today’s secular universities to provide the prescriptive moral education of the past. In addition, the postmodernist denial of universal standards, morals and values, and its scorn for the achievements of the Enlightenment, has taken a serious toll on universities. Fuddled by relativism, universities are fearful to champion the ideals at the core of western values, ultimately sapping their own confidence.

In Kennedy’s words again – “it is difficult to avoid the conclusion that the role of universities has been diminished in part by their own failure to exercise intellectual leadership in the areas that a thoughtful public believes to be important” (Kennedy, 1997, p. 278).
By refusing to teach students about civility and responsibility, universities abandoned an important part of their traditional mission.

And we have all been the losers. Society needs graduates who have at least a basic sense of ethics. How can we begin to expect our students to analyse ethical issues such as stem cell research, nanotechnology, euthanasia, or freedom of speech if we do not show them how? Surely a higher education that is worth anything at all is one that equips students with a basic sense of ethics.

How can universities achieve moral aims? In a secular age, it won’t be easy.

Yet we should not give up just because the challenges are great. Students learn ethics by being part of an ethical community. We cannot build character unless we can ensure that universities provide good models for our students. We can begin at the individual level by insisting that students respect others, behave civilly and meet their obligations. But this is only a start. We also need to teach our students by personal example. We academics must meet our classes on time, return assignments promptly and mark fairly. We must stay active in our fields, update our teaching materials and use the most effective teaching methods. And we must reject bogus research, sloth, racial intolerance and sexual exploitation.

At the institutional level, universities need policies about how long research results can be kept secret and they must enforce these policies even if corporate sponsors object. Universities also need to develop rules on conflict of interest. For example, academics who have a financial interest in drug firms should reveal their interest to anyone considering participating in their research. They also need workable codes on academic freedom.

But the most important task facing universities is to articulate a vision of what they are trying to achieve for society, and then live up to it. If they do that, they will recapture the respect they enjoyed in Salk’s day. If they fail, if we fail, then we run the risk of becoming little more than utilitarian institutions. And the nation would be much poorer for that.

References


2. Press references available from the author.
3. A brief bio of Salk can be found at [www.achievement.org/autodoc/page/sal0bio-1](http://www.achievement.org/autodoc/page/sal0bio-1)
4. Universities also protect culturally valuable but non-commercial research, but this is a topic for another talk.