



University Autonomy and the Public Interest.

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Executive Summary

- University scholars have long argued that institutional autonomy and intellectual freedom are necessary conditions for assuring the integrity of tertiary education and university research.
- Governments maintain the necessity for a proper accounting of public funding and ask universities to provide evidence that they are making optimum use of such support.
- This is not a new problem. In fact, it is a necessary tension requiring ongoing negotiation between the higher education sector and government.
- This article outlines some of the ways that university autonomy and the public interest have been negotiated since the Commonwealth first became involved in funding universities during the Second World War. The pattern of this involvement suggests the need for a shared commitment to negotiating the terms of this support to assure quality, reliable research for the public good. History can help us see what is at stake as the negotiations continue, helping each side to understand the other.
- A key complication, however, is in a growing tendency among universities towards a prioritisation of self-interest over the public good, further problematising the issue of trust and accountability, and threatening, I maintain, their future autonomy.

The Problem with Universities

On 23 November 2012, the former Federal Minister for Education, John Dawkins, sat at the back of the room in an afternoon session of a symposium on the university reforms he instigated twenty-five years ago. It was late in the day and university administrators were squabbling over the best type of incentive structures government should implement in order for universities to properly perform their task.

Dawkins leaped to his feet, articulating what was obviously a long-held frustration: why do the universities need to wait for the *government* to put structures in place? What is *wrong* with these autonomous institutions that they're not able to do the job themselves?

The 1987 Dawkins reforms represent a key moment in Australian university history where the conflicts between university autonomy and the public interest were at the centre of policy debate. But it was not the first time this problem was present.

In fact, British historian Conrad Russell (1993) argues that there is an *inherent* tension at work. Universities need autonomy to be able to properly perform their task, but democracy demands that governments be permitted to determine the priorities of their expenditure and be allowed to account for the public value of the work they have funded.

This article outlines the ways that university autonomy and the public interest have been negotiated since the Commonwealth first became involved in Australian universities during the Second World War.

What interests do universities and governments share?

Most Australian universities were established as state institutions. Over time, colonial and state governments expressed a variety of interests in universities, including the development of an Australian-born elite to serve in state parliaments, research to underpin industrial innovation, and facilitation of regional development in de-industrialising areas such as Geelong and Wollongong.

At the Commonwealth level, university and government interests first converged during the Second World War.

The Universities Commission was established in 1942 by Minister for War Organisation of Industry, John Dedman, as a way for the Commonwealth to enhance the contribution of academic training and research to the war effort. It was therefore, by necessity, a fairly intrusive structure. In the emergency of war, University vice-chancellors and most academics did not mind: it is possible some looked to future Commonwealth support to supplement state funding.

We know, however, that many within the universities were simply keen to contribute what they could to the shared goal of success in the war. The benefits for the national war effort were considerable. Spectacular advances in weaponry, optical munitions and medical discoveries were all evidence that academic research could underpin military success. Universities also fast-tracked the education of doctors and other professionals needed in wartime.

This pattern of shared interest has never ceased. Universities continue to educate, research and provide other public services that align to government goals and the public good. Everything from snake anti-venom, public health, food safety, climate change, safer mining, revival of indigenous languages, better power sources and more productive international relations has been negotiated between university scholars and government and industry groups.

Why is there a tension?

Despite so many shared interests, university and government goals are not *always* aligned. Before the Second World War was over, tensions were evident in the new bargain. As early as 1943, in a conference between the Chair of the Universities Commission, Richard Charles Mills, and National Union of Australian University Students representatives, a University of Melbourne student asked the question directly:

It seems to be certain that the Commonwealth interest in education is going to be permanent... The most important question seems to me to be whether the Commonwealth is going to carry conditions with the money it gives ... The Commonwealth's position appears to be very strong because of its money.

At that time, Mills explained that he did not know what the Commonwealth's intentions were or whether ongoing funding would carry conditions.

One year later, when Mills was negotiating Commonwealth funding for university infrastructure, the Vice-Chancellor of the University of Sydney, Sir Robert Wallace, asked that the government supply the funding but allow the university to decide how to use it. 'What I am asking', he said 'is that you give us the money and be done with it'.

Wallace knew Mills well. They had for some years been colleagues at the University of Sydney, so such frankness may have been license derived from familiarity. But it also reflected a tension inherent in their positions. 'It is a large sum of money', explained Mills, 'when the Government says "we gave this subsidy, did the universities find it all right?" we must be able to say something more than just "Trust the Universities"'. In response, Sir Robert maintained that 'I think that is the wrong attitude'.

What was it that Wallace thought was 'wrong'? He clearly believed that the government should provide no-strings funding that the university spent as it saw fit. While this naturally went against government habit and principles of accountability, Wallace believed that allowing government to direct spending precisely was a way for the government to determine the priorities of university research and teaching. He considered it to be important that universities determine their own spending priorities, because in so doing they also determined the direction of their academic work. Wallace was also persuaded that this autonomy represented a principle that the government should uphold.

What is the history of university autonomy?

University autonomy has a bumpy history. Medieval universities were rarely autonomous, especially from the church. Nevertheless, it was the church's tradition of autonomy from the state that universities inherited. German enlightenment values took this convention further, so that the German universities insisted on principles of academic freedom as a way of assuring the reliability of the research that was their hallmark. Universities in the United States adopted this German model and developed their own tradition of academic freedom, a central tenet of which was academic tenure, the idea being that only scholars secure in their employment could really pursue unbiased work.

In Britain, university autonomy and the intellectual freedom associated with it emerged slowly; a key turning point was when Cambridge and Oxford relinquished their religious test (requiring acceptance of the 39 Articles of the Church of England as a condition of enrolment) in 1871. When government funding became central to the running of higher education in the UK, the Universities Grants Committee was established in 1919 with the explicit aim of providing a 'buffer' between political interests and university spending.

In the twentieth century, academic freedom became central to debates about the university (especially research) worldwide. In the Soviet Union, research findings by geneticist Trofim Lysenko were falsified (and agreement by fellow scientists enforced) in order to align with political sentiment, resulting in agricultural failure and substantial economic hardship in the 1930s and 1940s. This alerted many within governments and universities everywhere to the importance of maintaining a system

of independent research. It instilled an ideal that democratic nations, by contrast, would protect academic freedom in their universities.

Nevertheless, in Australia in 1946, influential British scholar Eric Ashby observed that universities here were under more threat from political and sectarian influence than in other Commonwealth countries. Due to regular external pressures on the nation's universities, vice-chancellors like Robert Wallace were notoriously wary of government interference. Indeed, this was a key frustration for CSIRO chair, Ian Clunies Ross, who expended considerable energy in the late 1940s and early 1950s encouraging the vice-chancellors to petition the Commonwealth government for ongoing financial support of universities, finding that many preferred less funding to increased government influence.

Eventually Clunies Ross was successful in persuading both the universities and the Prime Minister, Robert Menzies, to conduct a review. In 1957, the Murray Review of Australian Universities recommended that the Commonwealth invest considerable sums in the universities and that a buffer body like the British Universities Grants Committee be established to administer this funding.

Anxious as a result of news of invasions of academic freedom in the United States under Senator Joseph McCarthy's anti-communist policies, academics watched the Commonwealth government's response to the Murray report closely. All seemed to be well. Menzies was widely accepted as a 'university man' and historians have since acclaimed his habit of protecting university autonomy from interference by other, less sympathetic, politicians.

Confidential cabinet documents held in the National Archives, however, tell a different story. Much as Menzies was sympathetic to the universities, he was also compelled to ensure that Federal funding resulted in national benefits. While those in the universities considered the Australian Universities Commission to be a buffer body like its UK counterpart, Menzies instead saw it as the vehicle for assuring fulfilment of government goals. To Cabinet, he argued:

Money is the weapon by which oversight of universities will be secured, but the intention is more than monetary. It is hoped that the Commission will devote itself to thought about the development of universities in the widest sense. It will advise precisely on the buildings which the Commonwealth should support at each university...as well as expenditure on other matters such as laboratory equipment or libraries.

A.P. Gallagher (1982) argues that the Australian Universities Commission mediated gradual but steady increases in government interference in university business.

Is there a problem with government incentive structures?

From the concern of students in 1943 to Menzies' declaration that money is a 'weapon', it is clear that funding has long been a key method of influencing university behaviour.

In 1987, Federal Minister John Dawkins instituted a set of reforms that made the relationship between money and university behaviour more explicit.

It was a moment intended to compel universities to meet government goals, rather than negotiate the public good. Trust between government and the universities had in fact been disintegrating for some time. In fact, ambivalence in government circles to the public value of universities was an international phenomenon, reported by higher education leaders across the OECD in 1980. Political leaders needing to prioritise scarce funding after the 1970s oil shocks increasingly considered universities to be cloisters of privilege and profligacy; it was a reputation probably well-earned, particularly in the 1960s and 1970s, when higher levels of funding coincided with the moment that politicians of the 1980s were undergraduate students themselves, able to observe and criticise scholarly waste.

Structuring funding to create incentives for university prioritisation seemed to be a useful way to assure the government achieved its goals with the money expended, while also leaving universities with the choice to do otherwise if they could find alternative income sources. The buffer between political aims and university priorities – which by then was called the Commonwealth Tertiary Education Commission, or CTEC – was no longer needed in such a system and was dismantled.

This also disabled the system intended to facilitate a shared negotiation of funding for the public good. Most felt it was not working to achieve that goal anyway. In Canberra, politicians and public servants had long felt that CTEC was altogether too cosy with the universities. University administrators were generally of the opposite view – as a result, few vice-chancellors opposed its abolition.

Peter Karmel – a ‘godfather’ of higher education policy, contributing to every review between Murray’s in 1957 and Bradley’s in 2008, the last submission just months before his death – was the most vocal critic of this change in structure. He had recently chaired CTEC himself. Karmel argued that the transfer of control from CTEC to the Minister-controlled National Board of Employment, Education and Training was nothing short of a revolution. He observed a shift in the perceptions in Canberra of the value of higher education. From a focus on citizenship and the collective public good, measured by the level of government funding, or input, politicians and public servants instead sought specific *outputs*. The specificity of these requirements and their link to funding posed the kind of risk to the universities – perhaps not immediately, but structurally – that the mid-century concerns for university autonomy had sought to address. The buffer body, Karmel believed, was the safeguard against a future Lysenko, and its loss was deeply worrying.

Karmel’s view was not popular either in the universities or in government at the time. Only one vice-chancellor made an attempt to claim autonomy, rejecting the new incentive structures. University of Melbourne Vice-Chancellor, David Penington, approached the University of Sydney hoping the two oldest universities might decline entry to Dawkins’ ‘Unified National System’. Like Karmel, Penington’s concern was also for the public value of research:

Research policies controlled from Canberra, he [Penington] says, run the risk of being short-term and politically motivated. Had the Dawkins policies been in place during the polio epidemics, research funds would have gone into creating better iron lungs. The discovery of the Salk and Sabine vaccines which eradicated polio were the result of simple curiosity. It is impossible, he says, to dictate creativity.

Despite Penington's vocal opposition, the alliance with Sydney required to reject it was unsuccessful, for Sydney's Vice-Chancellor, John Ward was unwilling to risk the loss of funding that would result.

Peter Karmel was particularly damning of the compliance by the tertiary sector's leaders with the loss of autonomy at the end of the 1980s. Of course, among the believers in incentive structures, there was no loss of autonomy: they were *incentives*, not requirements and universities were in fact free not to take them up. Government, however, had a responsibility, went the argument, to fund university work that was in the public interest. But there was a problem: an incentive scheme assumed universities would behave in their own *self-interest* rather than holding a shared interest, with government and others, in the public good.

How is the public's interest in universities maintained?

One problem is that the public's interest in universities has shifted over time. As well, even within each timeframe, there are widely divergent issues at stake. Specific industries, for example, have specialised needs for educated, skilled graduates and for particular research and research extension. Students and their partners, children and parents, have unique hopes for their lives as a result of tertiary studies. Some, but not all of those hopes are financial or career driven; many have been motivated by intrinsic love of subject matter, or by a broad belief in the value of liberal education. For most members of the public, their interest in universities is about personal hopes as a result of their participation in the system.

From a public policy perspective, however, while the investment of public funding in universities has imagined its effects at different levels (sometimes the nation, the state, individual citizens, consumers) the purpose of funding universities has been remarkably consistent.

Since the Second World War, a key aim of government has been investment in university research and education for the purpose of guiding the economy in new directions. Innovation would support new commercial and industrial capacities, as would a tertiary-educated labour force.

Government aims have never been solely economic, however. University knowledge has been seen as a way to assure the health, safety and civility of the nation. Moreover, it had important international effects, signalling Australia's standing and the nation's contribution to the global good.

In successive periods, since the Second World War, these aims have been variously nuanced, but they have been curiously stable. Appropriate custodianship of university knowledge became a key method for guaranteeing economic stability, for shoring up authority for political decisions and for engineering social change.

What coheres this public interest, I argue, is the perceived necessity in the second half of the twentieth century to mitigate against uncertainty.

Economies grounded in knowledge can respond to the whims of the market; with knowledge, governments can confront disease outbreaks, the vagaries of international alliances and arm themselves to deal with the unpredictability of nature. A society

with a strong knowledge-base is more civilised, less unequal, has a higher standard of living. All these are built upon the same need: among the uncertainties of the twentieth century, knowledge was the only source of security. As a result, universities in that century flourished, though rarely with the autonomy they associated with earlier eras.

Some of that loss in autonomy is tied up with university responses to incentive schemes. Over time, these schemes have enacted their own assumptions about university self-interest, so that universities moved from a collegiate of disinterested scholars (ideally, if not always actually) to explicitly considering themselves to be interested parties.

Since the 1980s, university leaders have often sought to reconfigure much of their task in commercial terms, including their ability to attract government funding on a competitive basis. Unlike the public institutions they had been in the 1940s and 1950s, universities began to behave like an industry, competing with one another (and indeed other sectors) for commercial and government revenue.

While this pattern seems to assure that the public's need for education and research are explicitly met, the public's interest in protecting against research findings that pander to specific interest groups at the expense of others is at the same time threatened by this shift in structure. It seems obvious that maintaining the public's interest in self-interested universities is a key cause for the ever-escalating requirement for detailed accountability – the 'audit culture' so many academics decry – further restricting university autonomy. Now that the university itself *is* one these interest groups, the public's interest seems doubly compromised.

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