EDITORIAL

Business and the University in our Time

IAN WINCHESTER
University of Calgary

For most of their history, the primary external relationship of the European higher educational institutions known as universities were with other universities or with the Church. In our own time the primary relationship is with the state, or increasingly, with private business corporations or individuals who have gained their wealth through business. However, at the very beginning of their existence in the 11th century of the Christian era it is true that the first universities that spontaneously formed in Italy were formed by well off young men in the context of the booming market cities of Italy like Bologna, Palermo, Florence, Milan, Padua and so forth. Many of these men aspired to a knowledge of Roman law and Greek medicine which were both arts and small business practices that often led to wealth, fame, and fortune and often to elevation to nobility in the secular world on in the Church. One has only to think of the Medici (medicine) family in Florence to get a sense of what a medical knowledge could do who used their medical fortunes to found an international banking system and become fabulously wealthy.

But from the 12th century onward, the primary relationship between the external world and the universities was the Church. Initially the Church gained its power over the universities in Italy by intervening between the Town and the Gown in disputes involving the students in the initially student run universities, usually over lodgings. Sometimes this resulted in the the Church having a de facto place in the running of the institutions. And very soon the Church became, in effect, the licensing body for the universities of Italy and elsewhere: in Spain, in Portugal. Meanwhile in Paris, perhaps the greatest market town in Europe in the 12th century, the Church ran a cathedral school which often attracted scholars with a penchant for dispute, especially around Church doctrine, of whom perhaps the most famous was Abelard. This institution, by slow degrees, grew to be the model for many European universities, as it was run by its masters, and had four main faculties:

Journal of Educational Thought
Vol. 45, No. 2, 2011, 109-112.

arts, law, medicine, and theology. On the other hand, while the Church played a central role in licensing or recognizing universities, the universities functioned as independent corporations which were self-governing, sometimes governed by students entirely as at Bologna, or by the teaching masters, as at the University of Paris. The funding was either by student fees to their teachers or, as at Paris, the teachers were in the pay of the Church. Sometimes, as at Oxford and Cambridge, the King or the state subsidized the institution – a happy factor that enabled these institutions to survive the confiscation and shutting down of all Church property and educational activity at the time of Henry the Eighth as they were considered to be independent of the Church.

The mediaeval curriculum varied initially from university to university, some specializing, like Bologna, in Roman law, others in medicine, though ultimately the Paris model tended to dominate with the arts faulty being the primary faculty and the necessary route to the so-called higher faculties of law, medicine, and theology.

With the rediscovery of Greek sources, especially Aristotle, the mediaeval university put great emphasis on "science" comparable to the emphasis presently to be found in practically all universities in our own time. Some have even argued that the emphasis was greater than now.

The Situation in Our Own Time

In our own time the primary relationship among universities continues to be among themselves, passing teachers amongst themselves freely, aiding in the examination for higher degrees, organizing conferences and congresses of scholars, and collaborating on research. However the most important pay-master is not the students, but the government. In most European countries, and indeed most countries in the world, the national state is the provider of funds for universities. In North America the local state or province is the provider of most of the funds, though research monies usually come from the national government. The difficulty of maintaining the independence of the university given the funding of the state is an important topic of discussion in university circles in our time. Even "private" universities (like Harvard or Princeton or Stanford) are often funded in large part by government money for research in particular.

In the United States, and to a lesser degree, Canada, private donations from either businesses or private individuals are an important source of funds to build new buildings or to support student scholarships

and sometimes for research purposes as well. Often as much as ten percent of a university's annual budget may also be derived from selling services to the community for musical performances, for hotel-like services at conferences, for food preparation, parking, and athletic facilities. And much of the money that can be spent for special projects for which there are no other funds are derived from corporate or individual donations which are invested, usually very conservatively, so that the interest can be used for such projects.

Around 2008 many universities, impressed by the success of large international banks to make tremendous profits from their investments hired for the first time not their own faculty members with their conservative, cautious investment tendencies, but former bankers with the reputation of daring investors. The crash of the housing market and the subsequent European and American financial recession leading to the loss of a number of major banks and investment houses, the bankruptcy of General Motors and Chrysler and the general destruction of trillions of dollars of paper assets followed shortly on that hiring. Perhaps the worst hit of all was Harvard University, which lost 50% of its 40 billion dollar endowment, built up carefully since the mid 1600s, at the hands of their newly hired investment expert who was immediately fired. The result was a loss of enormous numbers of scholarships and the putting on hold of a large number of building plans, making Harvard look like a campus with a lot of unfinished construction sites. A similar situation faced many Canadian universities as well. Perhaps typical was the University of Calgary which is in a city known for its business acumen and risk-taking, especially connected with the oil industry. Calgary's endowment loss, while not quite as drastic as Harvard's, was equally devastating leading to emergency budget-cutting and slow recovery which only today has a budget that is back in balance.

Two recent authors, Howard Woodhouse at the University of Saskatchewan and Stephen Shapin at Harvard have documented the rise of influence of the business community in the universities of North America. Woodhouse's book *Selling Out: Academic Freedom and the Corporate Market* is a powerfully written and well-researched cataloguing of the impact that the business community has had in the Canadian context while Shapin's book, *The Scientific Life* documents how the ethical considerations of the university researcher and the scientific researcher in industry have tended to become one over the last 100 years whereas they were historically assumed to be opposed.

The issues of academic freedom and institutional autonomy are, in their opinion, closely allied and are increasingly compromised by the changing values that have crept into the university. Perhaps the central issue is that put by Woodhouse, namely, that "the goal of university education and research, after all, is to advance and disseminate knowledge sharing it with others" while the goal of the corporate market "is based on a principle of self-maximization, of consistently seeking to gain as much for oneself as possible" (p. 227). He argues powerfully that "unless these opposing value systems are recognized, the distinctive features of education are subjugated to the demands of the market."

If these two authors are right then we would expect in for example Alberta where the oil industry is very vigorous and a central feature of the local economy that the judgments of the oil companies tend to prevail where research may tend to show that there are scientific grounds for criticizing company practices in the field. For example, tailing-pond and river pollution studies involving the Alberta oil sands by researchers at the University of Alberta have shown very high levels of medically dangerous pollutants that have been largely ignored so far by the corporate world.

An argument, however, in the other direction is that so long as government and business are not simply in league with one another, and so long as both wish to have an impact on university education and research the best strategy for the university is to use its traditional approach which is to try to steer an educational and research course independent of either by using them to help cancel out one another's external pressures. That is what the universities did in the Middle Ages, when the external forces were Church and State, and they emerged stronger than ever during the Renaissance and the 17th century, leading to the rise of natural science at the hands of university men like Galileo, Copernicus, and Newton. Let us hope that that is still possible.

Ian Winchester
Editor