

# Business Forces and the Life of the Mind

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*The author examines some of the market pressures facing higher education, such as instituting more businesslike management, focusing on outputs, eliminating low performing units and seeking corporate funds. Examining the pros and cons of each of these pressures on its own merits, he believes, is the proper way to approach such questions, rather than insisting that traditional academic practice should always trump a market perspective or vice versa. —Editors*

**T**he current debate surrounding the impact of the market on higher education is the latest iteration of a long-standing worry. Indeed, the relationship between the life of the mind and its material conditions has never been simple. Socrates criticized the sophists for accepting fees for teaching, and many rabbis of the Talmudic period raised questions about the practice as well. It was vital, they argued, to maintain the dignity and independence of the quest for truth, which the demands of the market threatened to distort. The scholar-patron relationship that dominated the intellectual life of early modern Europe raised similar issues (and fears).

The migration of American scholarship into the German-style research university changed the scope and venue of this tension, but not its essential character. A century ago, Thorstein Veblen charged that business principles were rendering higher education a “merchantable commodity.” A half-century later, in the early 1950s, Richard Hofstadter lamented: “It has been the fate of American higher education to develop in a pre-eminently businesslike culture.” The pragmatic, instrumental understanding of teaching and research, he feared, would inevitably devalue education as a means in and of itself, that is, as advancing knowledge and cultivating worthier human beings.

I offer this brief history not to dismiss or trivialize contemporary anxieties, but rather to place them in the context of an enduring structural tension that we

can manage but cannot hope to abolish. To some extent, the “piper-payers” will always “call the tune.” The challenge for contemporary higher education is not to become too dependent on any single patron, while distinguishing between patrons’ demands that threaten the essence of the life of the mind and those that do not.

In my judgment, the insistence on the part of trustees, private benefactors and state legislatures that universities conduct their internal affairs in a more efficient and “businesslike” fashion does not necessarily threaten the universities’ core mission and can even enhance it. Modern management theories, many of which tend to focus on measuring outputs rather than micromanaging inputs, can help cut through the bureaucratic inertia that so often chills intellectual and pedagogic innovation. And there is no good reason why universities should maintain an elaborate array of internal services if outside firms can perform comparable functions at lower cost. Universities have an obligation to treat all of their employees decently and with respect, but they are not obligated to be “jobs programs.”

Somewhat more threatening is the pressure to reduce internal cross-subsidies—put less formally, the “every-tub-on-its-own-bottom” strategy that managers of diversified enterprises increasingly employ. Some valuable academic activities will never be able to pay their own way, while others can do so only by changing their *modus operandi* in ways that will knowingly distort their mission. An example of the former is the study of classical languages and literatures; of the latter, university presses. Few scholarly monographs break even. If the university eliminates external subsidies, presses must either increase their capacity to provide internal subsidies (by bidding for books once reserved for trade presses) or reduce their commitment to low-volume monographs—perhaps changing what it means to publish them (through electronic or just-in-time strategies).

At the end of this road is the decision to imitate contemporary corporations by eliminating “low-performing” units outright. Numerous educational institutions have already moved in this direction, typically at the expense of the humanities. This move may prove self-defeating, however; many corporate recruiters claim to be seeking the kinds of research, critical thinking and writ-

ing skills that the humanities disproportionately foster. It would be ironic if such market-driven, instrumental considerations ultimately came to the aid of the embattled life of the mind.

More worrisome are decisions provoked by changing sources of funding for higher education. Universities have to seek outside sources of funding such as corporate contracts, faculties rental, and outsourcing to compensate for the unpredictability of state and local support. Such shifts in funding have hit public universities with particular force and have placed a greater financial burden on the students. Students now face less per student funding, a wider cost gap in student aid, and increased pressure to work or borrow more to finance their education.

In addition, as state legislatures steadily reduce the publicly provided percentage of universities' operating budgets, these institutions find themselves increasingly dependent on large research grants; and every dean and department chair knows all too well that large research grants are a mixed blessing. On the one hand, they fund activities that would otherwise disappear. On the other hand, they take senior faculty away from teaching and further erode what is left of the local intellectual community. And as the competition for research funds intensifies, faculty are forced to expend more time and effort in writing grant proposals—at the expense of everything else, including the student.

Along with many others, I am troubled by another key structural consequence of changing funding patterns, namely, the proliferation of public/private partnerships. While the commercial sponsorship of academic research can have some positive consequences (for example, by initiating research that otherwise would not occur), its net effect is negative. Commercial links often lead to secrecy and delay in the sharing of information, which is at odds with the free exchange of ideas, as well as to pressures to distort or suppress “inconvenient” research results. Even when public/private endeavors manage to avoid these clear moral hazards, they tend systematically to underfund public goods, such as basic research, in favor of inquiries likely to yield only short-term results, the value of which can be privately captured.

This shift is more than peripheral. As Eyal Press and Jennifer Washburn have observed, “Traditionally, universities regarded patents as being outside their orbit, generally believing that proprietary claims were fundamentally at odds

with their obligation to disseminate knowledge as broadly as possible.” The fact that today “nearly every research university has a technology licensing office” signals a profound shift—and not for the better—of institutional mission and self-definition.<sup>1</sup>

I close on a more personal and rhetorical note—fully realizing the risk of sounding priggish and unworldly. I believe that multiplication of opportunities for private gain (professors owning blocks of stock in the enterprises that are funding their research, for example) weakens the motivations and traits of character that have long been thought essential in the quest for knowledge. If academic research is merely the moon to the corporate sun, if there is no essential difference between the search for truth and the pursuit of gain, then what is to prevent students from drawing the logical consequence and treating education as purely instrumental? And how can universities square the increasing marketization of higher education with the fulfillment of their essential but long-overlooked civic mission? There are no easy answers, but it’s time for all who care about the soul of American education to—at the very least—both raise these questions and insist on public responses from those entrusted with the leadership of these vital institutions.

#### ENDNOTES

<sup>1</sup> Press, E. and J. Washburn. The kept university. *The Atlantic Monthly*, (March 2000) 46.