

# BEYOND THE UTILITARIAN UNIVERSITY<sup>1</sup>

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It is better to be Socrates dissatisfied than a pig satisfied; better to be Socrates dissatisfied than a fool satisfied. And if the fool, or the pig, are of a different opinion, it is because they only know their own side of the question. The other party to the comparisons knows both sides. [1]

## **The Idea of a University [2]**

John Stuart Mill's quotation which heads this article is profoundly subversive, not only because Mill was challenging the utilitarianism of his father James Mill and his mentor Jeremy Bentham by suggesting there was a hierarchy of utilities, but also because it provides a critique of today's educational policies.

The subversion of the conventional economics has been extended by Amartya Sen, awarded an economics prize in honour of Alfred Nobel. He acknowledges the continuing importance of utilitarianism in public policy, but argues for an alternative approach, in which the possibility of choice - of opportunities - is given a separate role from what he (and Adam Smith) called "opulence" – the abundance of material things. The pig or the fool may be

happy, but in their satisfaction they have no choice: no knowledge of the possibilities that lie beyond their current satiation.[3]

The pre-Mills utilitarianism which emphasises material production and consumption, without any distinction of quality, continues to dominate much of New Zealand public policy, including that to the tertiary sector. The 1988 *Report on Post Compulsory Education and Training in New Zealand* nicely captured the emphasis when it said that ‘distinctions between education and training should be avoided’.[4] It may not be a distinction which pigs and fools make, but philosophers such as Mill and Sen – and anyone with a decent education – would.

The result of the failure to recognise the distinction is evident in the subsequent evolution of the New Zealand tertiary sector, which has focussed on the development of vocational skills for the accumulation of wealth to satisfy pigs and fools. Any educational role has become subservient, and is danger of being eliminated.

This issue is not a new one. One hundred and fifty years ago John Henry (Cardinal) Newman in his great advocacy of liberal education in *The Idea of a University*, poured scorn upon advocates of the utilitarian university:

‘[T]hey insist that Education should be confined to some particular and narrow end, and issue some definite work, which can be weighed and measured. They argue as if everything, as well as every person, had its price; and that where there has been great outlay, they have a right to expect a return in kind. This they call making Education and Instruction ‘useful’, and ‘Utility’ becomes their watchword. With a fundamental

principle of this nature, they very naturally go on to ask, what there is to show for the expense of a University; what is the real worth in the market of the article called 'Liberal Education,' on the supposition that it does not teach us definitely how to advance our manufactures, or improve our lands, or to better our civil economy; or again, if it does not at once make this man a lawyer, that an engineer, and that a surgeon, or at least if it does not lead to discoveries in chemistry, astronomy, geology, magnetism, and science of every kind.' [5]

James Fitzgerald had similar fears. In his 1852 inaugural address as Canterbury's first provincial superintendent he warned:

'There is something to my mind awful in the prospect of the great mass of the community rapidly increasing in wealth and power without that moral refinement which fits them to enjoy the one or that intellectual cultivation which enables them to use the other.' [6]

Yet, with a few minor changes the course the two were objecting to could summarize public policy for much of the 1990s, in which the function of universities is to provide the skills and the technologies for economic growth.

The universities – in part – and many university teachers seized upon the vocational objective for their institution, usually without realising that given today's conventional wisdom of how economic growth occurs, its logic was a policy framework in which universities are business enterprises responding to the vocational aspirations of paying students in a competitive

market environment.

Fitzgerald's and Newman's broader objective for universities of cultivating the intellect, does not mean that universities should have nothing to do with economic growth. To the contrary, there are a number of principled and practical reasons it should.

First, as Sen makes very clear, while opulence is not the same thing as choice, greater opulence can in some circumstances give greater choice. He advocates a strategy of developing material wealth and choice, not an either or.

Second, universities are enormous users of the material output of the economy, and they cannot idly stand by consuming such quantities without contributing to their production.

Third, universities can contribute to increased material prosperity, as well as to opportunity and the intellect. If they do not, some other institutions will take over that role, and the universities will be diminished and unable to pursue their other objectives very well either.

The dominance of the French *Ecoles* as a case in point.

Fourth, the economy is one of the central features of the human condition, and inevitably the universities will want to be involved with it in all its various manifestations.

So while Newman believed in liberal education, the university he developed had faculties of engineering, law and medicine as well as arts and science. The implication is that he thought it was possible for a university to have liberal objectives without compromising their

contribution to opulence. But how to organise such a university system?

### **The Objectives of a University**

It is fundamental to a liberal society that there is no simple objective for a university or, indeed, for many other social institutions. The notion that a university's performance can be solely characterised by a financial bottom line (or the state of its balance sheet) is flawed. This fallacy was taken to the absurd limit by the Scott-Smelt report, which seemed to think each university was a property company owned by the central government. [7]

Certainly the physical assets of a university are substantial, valuable in market terms, and evident. But as my *The Commercialisation of New Zealand* demonstrates, they are only a small part of the totality of the assets which make up a university, for the market value of the faculty and student interests far exceeding any property interest. Perhaps universities should separate out their property interests into a company, but that would be to quarantine an obsession with physical assets from the central activities of a university.

What should really matter to a university is its reputation: its standing in the world of international scholarship, of the community in which it serves, among its alumni their friends and employers. Reputation is intangible but as Cassio says to Iago 'Reputation! O, I have lost my reputation! I have lost the immortal part of myself, and what remains is bestial.' (Othello: II, iii)

Because it is a multi-dimensional objective assessing reputation is not easy. But that does not justify identifying an easily indicator and setting that as the indicator. It is too reminiscent of

the drunk looking under a lamppost for his keys lost in the dark, because he could see there.

It makes far more sense to someone associated with a university to ask at the end of the day, have I added to my university's reputation (and among whom have I added to the reputation), rather than what have I done for the bottom line of the institution's statement of economic performance. That does not mean that they should be unaware of the bottom line. But it is a means to an end, not as the Scott-Smelt report would seem to have it, and end in itself.

While ultimately the reputation of a university is assessed in the public area an institution needs trustees or guardians of its reputation? In the first instance it has to be the faculty, with the authority embodied in an academic body such as a professorial board or senate.

But their internal assessment needs to be monitored by a group from the wider community who are the ultimate assessors of reputation. There is no single interest group. The Scott-Smelt report, with its obsession of universities as property companies, advocated a Council consisting of business people appointed by the government. Not only would that give oppressive authoritarian powers to the central government, but it failed to recognize the diversity of the university objectives. The typical Council with its representatives of staff and students, the Court of Convocation, the local community (including its Maori dimension) and secondary schools, economic sectoral interests, is a sensible attempt to reflect the diversity.

One might also add academics with international reputations who are based offshore or in other domestic institutions, since they are some of the most important judges of each university's reputation. Given the difficulty of their regular attendance this might suggest two

tiers: a large Court that met once a year to review the university's performance, and elect a much smaller Council which met monthly and ran the affairs of the university as is the current practice. (Of course such a Council may need to co-opt to cover gaps in expertise.) The emphasis in the Court – and to a lesser extent the Council – should be on representativeness of all the diverse interest universities have. Appointees to the Court by the government may be appropriate, but should be very much a minority. The government needs to have some confidence in the inherent democracy of a widely representative Court.

### **Public Funding for Universities**

The funding of each university needs to be as diverse as possible, although given that New Zealand has not a tradition of private foundations and charities, the majority will come from various public sources – and, possibly, student fees. The public funding needs to be diverse and protected from direct political interference. In the 1990s, following the abolition of the University Grants Committee, this simple principle was ignored. University teaching was directly funded by parliament (with any research funding increasingly separated out).

Initially, and consistent with the PCET report philosophy, the approach to funding was to treat all courses as if they were vocational, with little assessment of quality of even the vocational component. The quantum was broadly in proportion to the perceived length of the course. The result was to penalise institutions which favoured longer high quality courses with an educational component – most obviously the universities. As Newman remarked 'They measure knowledge by bulk, as it lies in a rude block, without symmetry, without design.' [8]

International comparison of cohort attainment show New Zealand is strong on certificates (although this does not take into consideration that many of them are of little worth) but it is below the OECD average on degrees – which is exactly what one would predict if the focus is on ‘bulk’.

The principle of an intermediary between government and the institutions was reintroduced in 2000 with the Tertiary Education Commission. While it has begun to address the absurdity of the previous funding arrangements, the Commission seems trapped by its obligations towards primarily vocational courses. It is difficult to separate out educational and vocational – although unlike the PCET report – we should try. It may be a useful test is course length, with no government funding for short courses, and an increasing proportion as the course lengthens. A practical consideration is that longer courses are relatively cheaper to monitor for quality.

That fifteen years after the PCET report, the issues are still not properly resolved indicates just how pernicious the report’s philosophy has been. New Zealand universities continue to be dogged by the weakness identified by the 1925 (Reichel-Tate) Royal Commission Universities which concluded they ‘offer[ed] unrivalled facilities for gaining university degrees but ...[are] less successful in providing a university education’. [9]

The Performance Based Research Fund (PBRF) evaluation concluded that around 40 percent of university staff were research inactive. Whatever the exact meaning of the higher grades, and acknowledging that some of the research inactive staff were involved on valuable non-

teaching activities which did not constitute research under the PBRF, one is left with the uneasy feeling that a good proportion of university staff are nowhere near the frontier of their subject or profession and may not even care. Reichel and Tate would not have been surprised. More surprising is that in the mid 1990s, most university departments underwent external performance reviews, which gave no indication of a widespread problem which the 40 percent figure suggests. It can't be merely a matter of funding, for there would have been little difference in the ranking between universities and departments. The fact is that many departments have no culture of research or of academic and professional excellence.

From this perspective, PBRF funding – that is separate funding based on research performance – may be welcomed. But it only indirectly addresses the problem of the quality of the courses. Today universities are focussing on improving their PBRF indicators. This is understandable given that there is funding attached. But the way the game is scored shapes the way it is played, and the PBRF is subverting the central issues of degrees rather than education. The smartest thing the Tertiary Education Commission could do would be to abandon revising the PBRF, and introduce new funding measures which focus on the central issue. It needs to be imaginative. Why not include making a grant in terms of the library facilities each university has.

Any funding needs to be more stable and long term too. The current weakness is captured by the conclusion of the White Paper, *Tertiary Education in New Zealand*, that 'funding for up to three years may be allocated to encourage strategically-focussed research portfolios rather than short-term projects.' Three years for a research project is short term in academic – although not necessarily business – terms. Year-to-year funding for teaching is equally short

sighted.

### **The Student Contribution to Funding Universities**

One of the major funding sources of a utilitarian university is fees from students. They are justified because their courses are seen as primarily vocational, with no benefit other than the higher income the student will eventually end up with as a result of the course. We can dispute over what part of the total costs of a university are for teaching, and just what proportion students should pay – all very utilitarian.

However, I want to ask a more fundamental question. If the utilitarian model has no distinction between education and training, why should students not also pay for their secondary school education, or their primary school education, or even pre-school education? This was not a question the PCET committee addressed, but I take it their answer would have been that it was all a matter of time and political strategy.

In contrast surely in a liberal democracy there is the principle that New Zealand children have an educational entitlement (which encompasses a vocational element too). It is best articulated in Peter Fraser's famous statement drafted by Clarence Beeby:

“The government's objective, broadly expressed, is that every person, whatever her or his level of academic ability, whether he or she be rich or poor, whether he or she live in country or town, has a right, as a citizen, to a free education of the kind for which her or she is best fitted, and to the fullest extent of her or his powers.” [10]

This entitlement – (broadly) free access to educational opportunity – is a part of the core of a modern society together with civil rights, a reasonable standard of living, health care, and access to a safe and sustainable physical and social environment. (Plus, Sen would add, genuine choice for life paths which is what the entitlement is about.)

The extent of these entitlements reflects the overall national circumstances. They will be less extensive in a poorer country than a rich one. A very poor country might only be able to supply an entitlement of primary education, a rich country will include tertiary education in its entitlement.

Where does New Zealand fit on this spectrum? From the 1960s – the Parry Report is the marker – the tertiary educational entitlement was broadened as more students - notably women and from minorities – came up to university and as polytechnics/ institutes of technology became more available. However since the early 1990s that entitlement is being steadily diminished. Are we no longer a rich country and can only offer educational entitlements to the end of secondary school?

The issue is further complicated by students making sacrifices to obtain a tertiary qualification. Even if all their fees and subsistence are paid by others, they could still have a higher material standard of living by working. However, they are not – in general – going to have all tuition and living costs paid by the state. That may have been possible when only a minority continued after school but in the age of mass education that is not longer practical. So how are we going to share the cost burden between student and state?

Any convincing answer requires a systematic review, which will take up more space than is available here. The review could be a private sector or a public sector one. Key to its success will be a membership of people with open minds rather than representing interest groups who already have taken positions (a common New Zealand failure). The committee needs to avoid being stacked with utilitarians, like the PCET committee was. Ideally the membership should have the liberality and vision that universities praise, but sadly do not always deliver. They also need to be acutely aware of the fiscal constraints the nation faces.

My inclinations – but I could be persuadable otherwise by such a committee – are that all New Zealand citizens should be eligible for a tertiary entitlement of (say) three years of post secondary school education and vocational training, the cost of which – including subsistence – would be paid largely by the state. After that I would be willing to countenance full cost charging, because by that stage most courses are getting vocational or professional (although there may be exceptions to ensure there is an adequate proportion of cultural minorities in programs where culture matters). But there could be provision for an extra year's entitlement for an extra year of liberal education, enabling a student to do an honours year in arts or pure science. Obviously defining such courses is difficult, but the option of treating everything as 'vocational' is worse. A liberal society gives some preference to a liberal education.

Courses which were fully funded would have to be systematically identified. Relying on student choice to assess quality does not work – and distorts the systems towards degrees (often of poor quality) over education. As already explained, I would be inclined to exclude all short term courses – except remedial language, mathematics and such like which would be run by the secondary system – although students would be allowed student loans to pay any fees.

This counsel of perfection is probably too expensive, given New Zealand's unwillingness to raise tax rates (and other pressing public expenditure demands) and the numbers of today's generations (together with past ones catching up) requiring tertiary qualifications. That probably means student allowances which are more generous to the poorest, student fees, and students loans to cover the deficit. But the aim should be to phase them out over time in favour of a more generous entitlement.

The current system of student loans involves financial instruments – technically, liabilities contingent on future income – which are manifestly inefficient, as is evident by the lack of understanding of them in the public discussion. How to reform them without a budget blowout is not easy. I would give some priority to government write-offs where the graduate was doing socially valuable, if poorly paid, work such as working for NGOs, or was located in regions which were not near – and therefore directly benefiting from – a university or similar organisation with a high educational content.

### **The Organisation of a University**

Since 1989, public policy has tried to force universities into a business mode of operation. The approach is ultimately flawed, unless the objective is purely utilitarian. This has an important implication for vice-chancellors, who under the 1989 legislation were set up as chief executives of quasi-businesses. Whatever the law says, the practice has to be of the Vice Chancellor as *primus inter pares* – the first among the equals. If reputation is the simplest way of thinking about a university's objectives, that reputation rests with the faculty – the college

of academics. The Vice Chancellor heads the college. On the other hand, individual faculty members are going to have to take more responsibility for the resources they utilize. This is not a problem unique to the universities - for instance in the medical profession is increasingly facing the challenge of being resource managers. It is partly a question of efficiency, but it is also one of autonomy for if the medics do not take resources into consideration when they make clinical decisions, they will find non-medics increasingly taking the medical decisions for them. The same applies to academics.

This devolution of resource management closer to academic units has been going on over the last few years. Sadly it has not reflecting an academic philosophy of empowering staff to take greater responsibility for their contribution to the university reputation, but a desperate decentralisation by central university administration to cope with the limited resources.

As already mentioned, teaching is having to operate on a shorter cycle as its resource allocation becomes increasingly at the whim of students. That could mean that eventually the teaching process becomes very flexible, with only temporary teachers hired for six or twelve months, with the only permanent university staff being the administration. This will do little for research, scholarship or reputation. The alternative possibility is that there will be increased restriction of entry into courses, so that the teaching process is stable. But students would have no guarantees of activating their entitlements wherever they chose.

I shall not be surprised if the tertiary system evolves to a mix of the two approaches. Students would start off with open entry into general courses where it is possible to vary scale without compromising teaching standards and for which there is little concomitant scholarship or

research. Further on there would be restricted entry for advanced courses, access being dependent upon attainment in the open entry courses. We already familiar with the case to intermediates to professional courses, but it may become more widespread. We may even have universities designating colleges – including polytechnics or other tertiary education providers – to teach the open entry courses, because the culture of the different teaching may become so divergent.

Direct competitive pressures for students only aggravate the instability of student demand, with a concomitant deterioration of the effectiveness of the supply side. The 1990s policy framework encouraged competition. This has been abandoned in recent years, but there is still a need to encourage co-operation, especially where there are very specialist resources. The most specialist resources will frequently be teachers in particular fields. The logic is to share them between institutions, not to make inferior appointments, while under-working top specialists.

There is no simple answer to maintaining quality standards, which underpin reputation.

During the 1990s there was a move towards bench-marking but that seems to have come to a halt. Could the Tertiary Education Commission provide funding incentives for regular bench-marking, typically against overseas universities or departments? Done systematically and sensitively that is likely to give better outcomes than the PBRF exercise.

## **Epilogue**

There has always been a tendency for New Zealand universities to be utilitarian reflecting the

practicality of New Zealand life and a lack of prominence of the intellectual. However, the 1990s saw much greater pressure to make utilitarian vocational trainers of New Zealand's universities. There has been some blunting of those pressures in recent years, but there is little sense of an alternative vision.

Because the modern mass university cannot isolate itself from the international, national, and local society in which it exists, any change to the policy framework – a reduction in its utilitarianism – will be of benefit to the wider society too, not least in its promotion of liberal democracy, of choice and opportunity, and of the value of the intellect.

### **Endnotes**

[1] J.S. Mill (1863) 'Utilitarianism', page 260 of M. Warnock, (ed.) *Utilitarianism*, Collins, London, Fontana Library Edition, 1962.

[2] Much of the broad analysis in this presentation is developed in my *The Commercialisation of New Zealand* (Auckland University Press, 1997), and *The Whimpering of the State: Policy After MMP* (Auckland University Press, 1999).

[3] A. Sen (1999) *Development as Freedom*, Knopf, New York, p.58.

[4] G.R. Hawke (1989) *Report on Post Compulsory Education and Training in New Zealand*, Government Printer, Wellington.

[5] J.H. Newman, *The Idea of a University* (1853) This edition Oxford, 1976, edited with introduction and notes by I.T. Kerr. p.125.

[6] J. Hight & C.R. Strauble (ed) (1957-1971) *A History of Canterbury*, Whitcombe and Tombs, Christchurch.

[7] G.C. Scott and S. Smelt (1995) *Ownership of Universities*, New Zealand Vice-

chancellor's Committee, Wellington.

[8] *Op. cit.* p.135

[9] H.R. Reichal (1925) *Report of Royal Commission on University Education in New Zealand*, Govt Printer, Wellington, p.11.

[10] *AJHR*, 1939, E.1, pp.2-3, with amendments suggested by C.E. Beeby *The Biography of an Idea: Beeby on Education* (NZER, 1992), p.189.

Footnote to Title:

*1. This is a revised version of paper presented to the Forum on the Future of Universities, University of Canterbury, 17 November 1999. Because the address was to a university audience, little attention is paid to the needs of polytechnics/ institutes of technology. However the principles discussed here are broadly relevant to them to, providing it is remembered that a vocational training needs an educational context. The author was invited to submit the revised paper to the journal by the Editor, so as to reach a wider audience than those participating in the 1999 forum.*