

Australian Universities as Enterprise Universities: Transformed Players on a Global Stage

Jan Currie

Associate Professor, School of Education Murdoch University
20 September 2002

Abstract

During the last decade, competition for funding and privatization transformed most Australian universities into corporate enterprises. This paper describes three Australian universities, established in different eras, all restructuring themselves to become more enterprising: Melbourne University (1855), a traditional university, recently developing Melbourne Private, and creating an alliance, Universitas 21, with Australian and overseas universities to deliver online courses; Monash University, established in 1961, becoming a multiversity by merging six campuses in Australia and building campuses in Malaysia and South Africa, and capitalizing on satellite television and other new technologies extending open learning to students in Australia and overseas; and Murdoch University, a small university established in 1975, beginning as an alternative university and now struggling to be a global player in this competitive environment. Pressures are mounting for all Australian universities to commercialize, to become more utilitarian, and to market their courses more aggressively in Australia and overseas. This paper discusses the potential benefits of these transformations, some of the controversies surrounding these decisions, and the possible negative consequences for these universities of becoming corporate enterprises.

INTRODUCTION

The word globalization elicits many different reactions in people. It creates heroes in the likes of Jose Bove who bulldozed a half-built McDonald's restaurant on the edge of his hometown in southern France. In response to what they see as the unjust consequences of globalization, thousands of protestors take to the streets in anti-globalization marches. They struggle against the transnational organizations that are the

most powerful globalizers in the world, such as the World Bank, the International Monetary Fund (IMF), and the World Trade Organization (WTO), and against members of groups, such as the World Economic Forum and the G8 leaders who are seen as winners in the globalization stakes. Even though the work of these globalizers is often veiled in secrecy, their message is clear – globalization in the form of free trade and economic liberalisation is the answer to eliminating poverty and creating wealth.

In this paper, globalization is discussed in its economic form as a neoliberal ideology. It encourages free trade and competition, the deregulation and privatization of the economy, along with a weakening of the public sector and trade unions. Moreover, it favours reducing the size of government and giving more power to businesses by making national borders permeable to the free flow of capital, goods and services (but not yet people). Globalization is commonly understood in terms of a global capitalist economy. While it has cultural, political and economic dimensions, all these dimensions are structured by a rationality that is principally Western and principally economic. The exhortations from the globalizers are that countries better integrate into the global economy or sink into ever-deepening poverty.

In contrast, some Western economists suggest that globalization is doomed. For example, John Gray, a professor at the London School of Economics, declares that the era of globalization is over.

The entire view of the world that supported the market's faith in globalisation has melted down . . . Led by the United States, the world's richest states have acted on the assumption that people everywhere want to live as they do. As a result, they failed to recognise the deadly mixture of emotions—cultural resentment, the sense of injustice and a genuine rejection of western modernity—that lies behind the attacks on New York and Washington . . . The ideal of a

universal civilisation is a recipe for unending conflict, and it is time it was given up. (*The Economist*, September 29th 2001: 13)

A number of writers are beginning to see patterns of difference emerging in the responses of countries to global forces. Hall and Soskice (2001) demonstrate that market economies differ and their reactions to globalization have not produced the same policies. They identified at least three different patterns but wrote at length about two types: liberal market economies and co-ordinated market economies. Depending on the political economic culture in which they are situated, firms in these two market economies react differently to similar challenges (Hall & Soskice 2001).

There is a flow-on effect of particular economic policies for universities in these different types of economies. Due to reduced taxes and lower public sector funding in liberal market economies, universities are increasingly becoming corporatized, more managerial and more entrepreneurial. However, most universities in the co-ordinated market economies of Europe have not followed the Anglo-American path of becoming entrepreneurial. Also, they have maintained a certain degree of democratic collegiality (Currie, DeAngelis, de Boer, Huisman, & Lacotte 2002).

In short, contradictory messages abound regarding globalization, and more specifically its possible impact on universities. My aim in this paper is to disentangle some of these messages by dissecting the actual practices of globalization in three Australian universities. I offer an assessment of the purported benefits and the potential costs and risks involved in adopting neoliberal globalization practices, such as managerialism and a user-pays philosophy. Universities risk losing important values that have served them well for centuries when they develop a corporate ethos that sits uneasily with scholarly, professional values.

Pressures are mounting for all Australian universities to commercialize, to become more utilitarian, and to market their courses more aggressively in Australia and overseas. This paper describes three Australian universities, established in different eras, all attempting to transform themselves to be players on a global stage: Melbourne University (1855), a traditional university, recently developing Melbourne Private, and creating an alliance, *Universitas 21*, with Australian and overseas universities to deliver online courses; Monash University, established in 1961, becoming a multiversity by merging six campuses in Australia and building campuses in Malaysia and in South Africa, and capitalizing on satellite television and other new technologies to extend open learning to students in Australia and overseas; and Murdoch University, a small university established in 1975, beginning as an alternative university and now struggling to be a global player in this competitive environment. How have they transformed themselves into global players and what is the impact, particularly on academics, of universities becoming corporate enterprises?

GLOBALIZATION AND UNIVERSITIES

Neoliberal globalization is a significant challenge facing universities, even in Europe where sufficient government funding has shielded them, especially from privatization and managerialism. Despite these differences, there are areas in which universities around the world are converging in their structures and policies. The differences in how universities respond to this global challenge are as important as their converging practices. Responses appear to depend a lot on the type of market economy, the strength of the economy, and the willingness of a country's citizenry to pay enough taxes to fund public institutions. This paper argues that globalization is not inexorable and it may not

be necessary for universities to follow the path that leads to greater managerialism. There are many risks involved for both countries and universities by adopting certain global practices.

Most governments want universities to serve their national interests in the global marketplace and there is an increasing tendency to emphasize the practical and technical value of higher education. For students, there is a shift to look upon universities in an instrumental way to serve their individual, economic goals. One key economic element is to recognize that educational services can flow very easily across borders, creating a borderless higher education system. To take advantage of this, universities, like transnational companies, are forming alliances to deliver education on a global scale, using Internet technology. For-profit universities and for-profit arms of public and private universities are taking advantage of this technology to expand their services. Governments in liberal market economies are also beginning the move to privatize universities. In essence, the declining commitment of governments to fund universities forces them to find new resources to survive. Are there any benefits in this move to privatize and corporatize universities? Does neoliberal globalization create new opportunities as well as potential disadvantages for universities? How do vice-chancellors act as globalizing professionals and transform their universities into global institutions?

Melbourne, Monash, and Murdoch

Using Sklair's (2001) analysis of transnational corporations' turning themselves into global companies, I illustrate how three Australian universities began to develop into global institutions. Sklair measures globalization in terms of four criteria: foreign direct

investment (FDI), world best practice (WBP), corporate citizenship, and global vision. He asserts that the transnational capitalist class (TNC) is not made up only of executives of transnational corporations; it also includes globalizing professionals, such as vice-chancellors.

In this paper, I weave a narrative of how the vice-chancellors of Melbourne, Monash, and Murdoch strove to become global players and position their universities in the competitive market of higher education during the period 1996-2001. During this time, these vice-chancellors restructured their universities in terms of the norms and practices of global business. They also began to use the language of business to describe their visions.

Many Australian vice-chancellors model themselves on CEOs. They come close to Surowiecki's description of the new American CEOs as "the Green Berets of corporate management," the "swaggering outsider who rides into town to clean up the mess" that a previous CEO left behind. They exude a "CEO hubris" that allows them to take charge and make decisions that Surowiecki suggests are not necessarily in the company's best interest (2001: 46). McCarthy, in a co-edited book, *Bullying: From Backyard to Boardroom*, portrays the Australian workplace as a culture where bullying is tolerated. He says "the pressures of economic restructuring have collided with a vast number of poorly trained managers and some organisations under stress explicitly adopt bullying as a tactic to deal with their problems" (cited in Bachelard 2001: 13). Some academics might suggest that this is happening in their universities in Australia.

Each of the vice-chancellors, Alan Gilbert of Melbourne, David Robinson of Monash, and Steven Schwartz of Murdoch, could be described as visionaries, looking to the long

term interests of their universities. Gilbert is described as a radical because he wants universities to become more self-reliant and prefers a deregulated environment (Light 2002). Schwartz exuded¹ a similar rhetoric and ardently believed in a capitalist ideology, branding academics as socialists, left over from the 60s. The Centre for Independent Studies, a right-wing think tank, invited Gilbert and Schwartz to address the Centre about their visions of Australian universities. Robinson continued the work of predecessors and developed Monash into a global university and the largest in Australia with an enrolment of more than 47,000 students on eight campuses. Of these, 25.6 percent were international students in 2001 and the university students speak over 90 languages. His vision was to have a Monash campus on every continent. He resigned before reaching that goal.

Both Gilbert and Swartz encountered protests from students and staff. At Melbourne, the vice chancellor's office was the site of student protests in 2001. That same year some 15 Arts faculty heads passed a motion expressing concern about the lack of transparency and accountability in regard to the establishment of two commercial enterprises at Melbourne, Melbourne University Private and Universitas 21. Despite these protests, Gilbert is not an unpopular vice-chancellor with many staff because he does not interfere with the academic heartland. He has not restructured the university and has done little to interrupt the daily running of the university. One academic commented in regard to Universitas 21: "University of Melbourne is simply selling its brand name. But because

¹ Past tense is used for both Schwartz and Robinson because both vice-chancellors left their positions in Australian universities in 2001 and 2002 respectively.

this is far removed from the day to day life of academics here, it is unlikely to raise a stir.”²

In 2001, Murdoch’s vice-chancellor received no-confidence votes from the student guild, the academic staff union, and the general staff union. Despite his unpopularity on campus with many academics and students, Schwartz managed to operate in the business world with some commercial acumen and to restructure his university into a commercial enterprise and a much more managerial institution.

At Monash, some academics praised the leadership of David Robinson and others were wary of it. One administrator expressed admiration for Robinson and felt he was not micromanaging the institution as was occurring at other Australian universities.³ However, a pertinent comment was made by one Arts staff member who regretted the current direction of the university:

The commercialization of Monash and the rapid growth of managerialism have created a university where the conditions that created that reputation can no longer be sustained. What will take their place is open to speculation but corporate entities are not in the business of providing for the public good or the pursuit of knowledge for its own sake. They are in the business of creating processes which maximize profit.⁴

It is important to note that some academics and administrators at all three of these universities are happy to see their universities become more entrepreneurial. There is some opposition within these universities, but it comes mainly from the Arts/Humanities side of campus and rarely from faculties such as Business, IT, or Engineering. Here staff members are comfortable with the entrepreneurial push and many welcome the greater

² Personal communication, Melbourne academic, email, August 30, 2002.

³ Personal communication, Monash administrator and former Murdoch academic, email August 29, 2002.

⁴ Personal communication, Monash staff member, email August 30, 2002.

independence from government funding this direction may provide.⁵ However, this greater financial independence depends upon the success of these commercial enterprises and the degree of freedom universities are given to operate outside of government regulations, which often restrict the universities' strategies to become more entrepreneurial.

Out of the three, Gilbert remains as a vice-chancellor but he is frustrated with the lack of progress for Australian universities. Light (2002), interviewing Gilbert in 2002, sees him as leading the charge on reforming Australian universities, which he feels are falling behind the rest of the world. According to Light, "He [Gilbert] regrets the widespread ignorance of the role universities could play in a global knowledge revolution" (2002:19-20).

According to two of Sklair's criteria for globalization, Gilbert can be identified with creating a global vision for Melbourne and developing a global alliance with 18 universities around the world. Swartz is also a good example of creating a global vision and describing his university as a corporate citizen. All three vice-chancellors entered the game with gusto by recruiting international students, especially from the Asian region, but Robinson garnered the accolades for positioning his university on the global stage by establishing campuses, centres, or partnerships on every continent. Beginning with Sklair's criterion of a global vision, I examine how the universities positioned themselves to be global players and some of the problems they encountered.

Global Vision

⁵ Personal communication, Monash academic and former Melbourne academic, September 25, 2002.

Universities pride themselves in developing mission statements that accept the challenge of globalization. Sklair suggests that "A globalizing corporation needs a global vision precisely because it is in the process of denationalizing, redefining its ties to its place of birth, and forging new ties with its global markets and partners" (2001: 256). One of the expressions of a global vision that Sklair identifies is the desire to improve the organization. "The corporation has a vision of being better-organized to fulfil its destiny of global success. Service to customers is an important part of this vision" (2001: 257).

Alan Gilbert established Melbourne University Private (MUP) in 1998 as part of his vision to bring greater financial independence to Melbourne University. The Victorian State Government asked Gregor Ramsey, former Director-General of Education in New South Wales, to review the university in 2001. Dr Ramsey described MUP as a bold experiment, stating "It is not like any other university not only in Australia, but also in the rest of the world" (Ramsey 2001: 18). MUP was set up amid predictions that it would dominate the \$250 million University Square development, enrol 2800 fee-paying students and generate billions of dollars of economic activity. It now occupies one floor of one building at University Square. MUP lost millions of dollars and enrolled only 101 fee-paying students. It has now shifted to providing accredited training to commercial clients. It was to recruit academic staff, including professorial appointments. There are now no separate schools or academic staff and it did not attract equity partners.⁶

Dr Ramsey says "the entity which now exists is different in scope and function from the one originally given conditional approval to operate as a university" (Kosky 2002:3). It has only four academic areas: leadership and management, international

⁶ MUP merged with the successful Hawthorn English Language Center and now makes a profit.

communications and management, energy and environment, and telecommunications, multimedia and IT, developed to appeal to both private and public enterprises. Ramsey notes that they are not the traditional academic areas used to structure a normal university. He also describes the university as little more than the commercial arm of the University of Melbourne. At the same time, he encourages the idea of reconceptualizing the notion of a university to include one like Melbourne University Private that is not set up along “normal” university lines.

A major concern with Melbourne University Private is its lack of a research profile. The Government of Victoria decided it would give the university until 2001 to establish a research profile. In the Government’s view ‘client-driven’ research alone is not sufficient to satisfy the broad research required of a university. Post-Compulsory Education Minister Lynne Kosky issued an ultimatum to Alan Gilbert: “conduct academic research at MUP or stop calling it a university.” She could not accept the suggestion by the university that work for corporate clients should be considered research. “Pure research is about free thinking,” she said. “As soon as you say research should be demand-driven, you’re talking about control of the sort of research that can occur” (cited in Ketchell 2002).

According to Senator Kim Carr, the Opposition spokesman on higher education, “MUP is a dangerous parasite, an attempt by the vice-chancellor, Alan Gilbert, to get around the rules, to turn the university into a business, while trading on the prestige of the old campus.” The CEO of MUP, David Lloyd, accuses the Victorian Government and people sharing Carr’s sentiments of trying to destroy the educational experiment, claiming, “It’s the dead hand of socialism reaching up to throttle the future.” Carr in

describing his differences with Lloyd said: “He sees it as a business. I see it as an educational institution. He wants to break down the culture and the mores of a normal educational institution. He talks about it as ‘the company’. I talk about it as ‘the university’” (Shand 2002: 22).

During the period 1996-2001, the former Murdoch vice-chancellor, Steven Schwartz, tried to transform the university into a business. In 1996, he issued his vision statement, *Preparing the University for the 21st Century*. Under a heading in the document, 'Make Productivity Gains and Manage Strategically', the main actions included collaborating more closely with other universities (from co-operation to mergers) and restructuring to improve management, increase efficiency and free up resources for core functions. The new executive deans were to be appointed and made more accountable to management and more distant from academic staff. The 1999 Murdoch's Senate vision statement identified the university's Four Pillars, which were significant for their lack of attention to research or teaching. The pillars supporting the university were: 1) Develop Market Attractiveness; 2) Diversity Income Streams; 3) Build on Management Efficiency and Effectiveness; and 4) Create an Entrepreneurial Culture.

Murdoch, like other Australian universities, is fast becoming what Marginson and Considine (2000) describe as an ‘enterprise university’. Their work on university governance charts the increase in executive power in Australian universities. The vice-chancellor, like a CEO, envisions the corporate image for the university and restructures it to be a more competitive university within the international arena. University vision statements read like corporate vision statements. The result is less power for the academics and the creation of a more aggressive workplace to achieve these goals. The

assumption among many university administrators in Australia is that the corporate model is the only model for universities to adopt in our global economy.

In a speech to the Centre for Independent Studies (February 10, 2000), Steven Schwartz, Murdoch's former vice-chancellor, described the threats to the survival of Australia's higher education system and clearly stated his solution.

Our universities are now in a global competition, and with formidable competitors. ... If we want to survive, then we have no choice but to change. Deregulation of the university system will be the engine that drives change. ... In conclusion, a deregulated environment should lead to a much changed higher education landscape. There will be fewer institutions. Most will be larger, but a few will be smaller. Customers will have greater choice and greater control over what is taught and when. The country will benefit from having stronger institutions. (Schwartz 2000: 3-4)

This speech drew serious criticism in the letters to the editor in *The Australian*, which printed an extract of the address. One of these letters described Professor Schwartz's speech as the beginnings of "a rearguard action of some extreme advocates of unfettered markets in higher education." The letter pointed out that government officials described Australia's higher education system as already "among the most deregulated in the world." It argued that, "by presenting a misleading diagnosis and a faulty prognosis for higher education, Professor Schwartz suggests that his idealized system of unregulated global competition is the only possible solution" (Allport 2000). Allport's response was to argue for more public investment in higher education, not less. What has been the response of those within Murdoch University to the vice-chancellor's entrepreneurial actions?

Staff and students at Murdoch did not stand idly by observing the transformation of their university. There were protests, strikes, letters to the chancellor, votes of no

confidence in the vice-chancellor, and attempts in academic council to resist the changes. The students occupied the Senate Building for 10 days. The vice-chancellor, however, appeared to be immune to these protests. He persisted in leading the university in his preferred direction. This shows the power of an individual when he has the weight of a globalization agenda behind him and a Coalition government supporting the direction he wants to take the university.

Murdoch academic staff belonging to the union decided to go on strike on 17 March 2000 and boycotted the four graduation ceremonies that year. In an open letter to students, the president of the academic union stated a number of reasons for these actions:

The primary reason for this action, and any future action, is the increasing level of contempt by the management of this university for any involvement of academics in the decision-making that affects all of us in the classroom. Rather than engage in constructive dialogue, consultation and cooperation, management is choosing to abandon many of these time-honoured traditions of intellectual engagement. Instead, management is driven by an economic rationalist model of efficiency, which has less to do with meeting global competition than with establishing something equivalent to a feudal hierarchy with top-down decision-making. (Thompson 2000)

This open letter to students refers to the internal management of the university and the pressure of a reduced budget, which often results in lowering standards. Academics, as professionals, resist these pressures to lower the quality of education. This announcement for a workshop on new teaching practices at Murdoch University aptly describes this process:

Whenever further cuts have been made to university budgets, the prevailing ethos has been that academics can simply ‘work smarter’ in order to overcome any difficulties that result. Academics have done this: in spite of the horrendous cuts we have suffered over the past decade, we have managed to make some significant improvements in

teaching; we are now covering much more ground with many more and far larger classes for more heterogeneous students. However, many of us believe that the limits to improving practice without loss in the standards of labour and outcomes were passed some time ago. Some things have had to go, and because academics are professionals, they have tended to let their conditions of labour suffer a great deal more than their students' learning. (Murdoch University Email, November 2000)

Around the country, academics are experiencing an intensification of work that results in higher stress and less satisfaction with their work. An Australian national study into occupational stress (Winefield, Gillespie, Stough, Dua, & Hapuararchchi, 2002) concluded that academics are highly stressed with 50 percent at risk of psychological illness compared with only 19 percent for the Australian population overall. The authors identified diminishing resources, increased teaching loads and student/staff ratios, pressure to attract external funds, job insecurity, poor management and lack of recognition and reward as key factors driving high levels of stress. Murdoch academics were included in this study and experienced significant stress and demoralization, particularly during the five-year period from 1996-2001. However, not all academics are demoralized. Some academics actually welcome the challenges identified in the vice-chancellor's mission. They are the entrepreneurs and middle-level managers who are turning the university into a more managerial institution. Others resist.

World Best Practice (WBP)

Australian universities adopted managerial practices in the area of accountability, drawing on 'world best practices', such as total quality management and benchmarking

to develop a culture based on performance indicators. Sklair (2001) suggests that another strategy used by the transnational capitalist class is looking for 'world best practice' (WBP). Along with the quality movement, another practice drawn from business is that of mergers and alliances and these are penetrating higher education at a fast rate. Cunningham, et al. note, "one of the major observations to be made in relation to the business of education is the hectic activity in seeking partnerships, alliances, outsourcing of services and 'content', particularly between educational providers and technology companies" (2000: 83).

Universitas 21 is an example of just such an alliance of universities in ten countries, including Australia, China, Canada, and the UK to provide online courses. This is another of Alan Gilbert's initiatives and he is the chair of the U21global board. Melbourne is the largest institutional contributor, having committed US\$5m in the first instance, with at least a further \$3m in the pipeline. This network, in partnership with Thomson, a Canadian-based publishing giant, will launch Internet University U21global in 2003. It "leverages the brands" of participating universities. Universitas 21 was incorporated in Guernsey, a well-known 'tax haven'. Then in September 2001, U21global was established and registered in Singapore where activities of trade unions are highly circumscribed. The joint venture capital between the partners is said to be S\$90 million.

Gilbert confidently asserts the academic integrity and commercial viability of the new venture in words that speak more to the profit motive than to its educational quality:

[Because] the fundamental business architecture, brand value and market demand are right, and because Thomson is a superb partner, with the resources, skills, experience, infrastructure and focus in

online learning to leverage the brand value accreditation capability of Universitas 21. (Allport 2001:26)

Public information about Universitas 21 is sparse and, according to the academic unions, little was discussed at the academic board meetings of the participating institutions. Academic unions are concerned about the nature of the deal and the fact that there are no plans to include staff in any of the governance structures of the new global university.

In 2001, the National Tertiary Education Union (NTEU) in Australia, the Association of University Teachers (AUT) in UK universities and other academic unions in New Zealand, Europe, and North America called on Universitas 21 to postpone its online partnership with Thomson until all academic and employment issues were resolved. Their chief concern was the contracting out of course content and assessment to Thomson. It appears that three universities, Peking University, University of Toronto and the University of Michigan, declined to take part in the online course offering. The academic unions are objecting to the commercialisation of universities. “They are concerned that their institutions are investing pots of money into a venture that has no guarantee of commercial success, that has an unproven business model, and that the respect given to their degrees might be diminished if the venture fails” (Hodges 2002).

The NTEU suggests that issues arising from transnational education are exemplified in the U21 venture. These include the nature of accreditation processes, quality assurance, intellectual property rights and governance structures. “An overarching question relates to the ethics of relatively rich universities and corporations seeking to capture education markets in countries where national higher education systems are still developing, and the extent to which the transmission of education across national borders represents a

‘new colonialism’” (*The Tertiary Education Report 2001*). Carolyn Allport, NTEU National President, writes about her concerns with U21:

The U21 venture raises important issues about the new models of global delivery and brings into focus the sharp end of the corporatisation of higher education. Under the proposed deal, Thomson Corporation will be responsible for course design, content development, testing and assessment and student database management and translation. The universities will license their ‘brand names’, receiving money for allowing the crests of their institutions to be used by the new international institution. The universities are not selling their courses; rather it is their reputation that seems up for sale. (Allport 2001:24)

She cautions that “If the balance tips too far in favour of educational services tailored for global markets, we could well see a narrowing of the knowledge base within our universities, and the growth of a more instrumentalist pedagogy...” (2001: 24). This for-profit venture will derive money from the sale of each institution’s brand name and not from the sale of courses. The nature of the work means that there will be a separation of course design and curriculum development from the learning and assessment processes. There is also no guarantee that any of this work will be done by academics at the participating institutions.

Foreign Direct Investment (FDI)

Universities are increasingly investing overseas to gain profit from private campuses. U21global is an example of this type of foreign direct investment (FDI), because of its concentration on the sale of educational courses in the Asian region, particularly in China. Sklair (2001) argues that there is general acknowledgement among researchers, international agencies (OECD and the World Bank) and TNCs that there is a connection between foreign investment and globalization. He states that the underlying motive for

foreign direct investment (FDI) was uniform across all business sectors. “Globalization was necessary to increase shareholder value and foreign direct investment was the strategy through which it was most successfully accomplished for most companies” (2001: 84). He also noted that since the 1970s it has become easier for TNCs to invest in almost every country in the world.

Another example of FDI in higher education in the last couple of decades is the injection of capital from overseas students into the economies of countries like Australia, the United Kingdom, Canada, and the United States. Taking Australia as an example, the growth in international students doubled in five years from 1994 to 1998 (41 244 to 84 304). Despite the Asian meltdown in the years 1997-99, the figures have only slightly decelerated but the growth is still there (Smart & Ang 1999). In 2001 there were 112 342 international students representing 15.5 percent of students in Australian universities (Department of Education, Science and Training 2002).⁷ It is interesting to note that Australian off-shore campuses are growing faster than on-campus international student enrolments: from 1997-98 the growth in on campus international students was 7 per cent while the growth in off-shore numbers was 41 per cent (Western Australian Technology and Industry Advisory Council 2000). These campuses can be seen as foreign direct investment even more clearly than overseas students coming to study in Australia.

Monash University is leading the way in Australia in terms of creating a global university. Their vision is to have a matrix of campuses with nodes in an educational network that spans the globe. They currently have eight campuses, including one in Malaysia and one in South Africa. In addition, they have centres in London and Prato,

⁷ This percentage contrasts with the USA where international students comprised only 3.8 percent of tertiary enrolments in the 1999-2000 academic year (NAFSA, 2001).

Italy and college programs in Hong Kong and China. Partnerships with universities span the globe as well. The university describes itself and its future in a document entitled *Leading the Way – Monash 2020*.

The emerging vision for Monash 2020 is of a self-reliant, broad-based, global university. Monash is at once international and Australian. And like modern Australia, Monash has embraced the challenges and opportunities of globalisation. The most successful of these broad-based universities of the future will be those that can operate simultaneously within nations and globally, and can offer their students and other clients a mix of high quality campus-based and technology-assisted distance learning opportunities. Monash will develop a global network of campuses, all of which will offer students a gateway to the world. High-quality students and staff will be attracted to Monash to be part of a university with global visibility, global facilities and global standing. (Monash University 2002)

Monash expects to build its network slowly and not necessarily to turn a profit in the short term. It is achieving considerable success with its Malaysian campus. It was established in February 1998 with 350 students. By mid-2001, it had 1500 students and is now considering a purpose-built campus with a longer-term capacity of up to 8000 students. However, it has not been clear sailing for Monash University. One problem that emerged with its South African campus, launched in October 2000, was the South African government's reluctance to allow Monash to use the term university to describe this campus. The granting of university status is still in the hands of governments, as clearly seen in the case of Melbourne University Private in Victoria and Monash University in South Africa. The South African government decided that the university did not offer enough courses to be considered a university since it started with undergraduate courses in Arts, Business and Commerce, Business Systems, Computing and Information Technology. This was not deemed to be broad enough so the South

African government refused to allow the institution to be called a university and it had to be renamed simply, Monash South Africa.

Corporate Citizenship

Modelling companies, universities now think of themselves as corporate citizens. Sklair gives this description of corporate citizenship: "With economic globalization and changing local conditions, business leaders are called upon to wrestle with complex issues that affect not only their shareholders, employees and customers but also the quality of life in local communities, our environment and people and countries throughout the world" (2001: 159). There is a suggestion in this statement that business leaders, as corporate citizens, are interested in more than the bottom line and are concerned about the environment and the quality of life in their communities. along with these sentiments, during the 1990s, capitalism was depicted as 'caring capitalism' and 'compassionate capitalism', slogans used by the Republican Party in the United States.

Under Steven Schwartz, Murdoch University adopted a corporate agenda and portrayed itself as a corporate citizen. Schwartz contracted an advertising firm to develop a new logo and motto for a corporate image for the university. After a brief period of consultation, these were unveiled in a special launch to the university community. However, there was no forum for staff to vote on the alternatives. In a document describing the university, the vice-chancellor referred to it as a corporate citizen in the community. At the same time, he planned to lease campus land for a petrol station (with three already within several kilometres of the university) and fast food outlets (with several near by). He also signed a contract with a mobile phone company to build a tower near the childcare centre. Along with petitions and protests from staff and

students, a number of community meetings were held to protest these developments. As a result, the vice chancellor did not proceed with the mobile tower, the petrol station, and the fast food outlet. However, the university leased land for three commercial projects: Murdoch College, St. Ives Retirement Home and Lakeview Apartments. Although there was opposition to a number of the vice-chancellor's entrepreneurial initiatives and to the use of the words, 'corporate citizen', he succeeded in transforming the university into a corporate entity.

There is no doubt that in the current climate in Australia universities are struggling to survive financially. Vice-chancellors face enormous challenges to keep their universities economically sound amidst rising costs from salary increases, library books, equipment, and the annual costs of inflation. The government has turned its back on universities, ignoring their pleas for increased funding and stating that there is no crisis in Australian universities. In addition, the current Education Minister Brendan Nelson continues to target academic staff in his review of higher education. He wants universities to develop a more efficient workforce, one that is "more supple, sassier and commercially-minded" (Richardson 2002:2). The current government believes in greater deregulation of the system, more managerial solutions to the universities' problems. However, there are certainly other models that could be considered to lead these universities into a direction that is less managerial and less reliant on business practices while still ensuring that the universities do not go bankrupt

GLOBALIZATION AND GLOBAL UNIVERSITIES: AN ASSESSMENT

These three vice-chancellors have acted as global players, believing that globalization represents a challenge and that they could position their universities to best compete on

the global stage. This has not been easy. Each made bold decisions. They met resistance each step of the way. This is most clearly seen in the cases of Melbourne and Murdoch. There was also unease at Monash over the extension of the university to so many locations and its move towards greater managerialism. Yet, out of the three vice-chancellors, there appears to be greater appreciation of David Robinson's leadership at Monash. This suggests that universities can develop in a way that is more respectful of academics and still achieve their global visions. The goals of these vice chancellors were laudable yet the costs were also considerable.

These vice-chancellors had clear agendas and were willing to take risks to be global players. However, each brought a more entrepreneurial style of management to their universities. Management theory can be useful to universities if embedded in democratic collegiality, a representative form of collegiality that encourages dialogue about academic issues and an inclusive decision-making process (see Currie 1999). This did not occur as 'new management' was overlaid on patriarchal collegiality, based on the old boys' network and favouritism. As a result, an aggressive, patriarchal managerialism has emerged in most Australian universities, increasing stress and mistrust among staff. This is not a healthy context for managers or workers.

What are the costs and the benefits for Australian universities of becoming more managerial and more entrepreneurial? To some extent, there is a need to look at the purported benefits because many of these have not been realized. The costs are more evident, at least when viewed from the position of an academic within one of these institutions. Some academics, however, see more benefits than costs in the move to entrepreneurial universities.

Purported Benefits

- **Increasing revenue and therefore increasing autonomy from government.**
- **Increasing internationalisation of students, staff and the curriculum.**
- **Increasing access to higher education in overseas countries and in Australia.**
- **Focusing on applied research increases economic benefits in the short term and makes more community links.**
- **Developing a managerial style that allows the university to act swiftly and position itself to be more competitive.**
- **Creating a more flexible environment for both staff and students to work and study.**
- **Creating a more productive academic community and a culture of performativity.**
- **Increasing transparency and accountability so the public can see how universities perform on certain quantifiable indices.**

Potential Costs and Possible Risks

- **Decreasing revenues may result from commercial ventures.**
- **Increasing enrolments without a corresponding increase in staff and services risks reducing the quality of education students receive.**
- **Secrecy of commercial ventures may lead to a different managerial style and reduce democratic collegiality.**

- **Reliance on international students for revenue is risky due to unforeseen events where the source of income could dry up and it may skew the curriculum towards commercial (Marginson 2001).**
- **Reducing funds for pure research that is curiosity-driven may reduce the generation of new knowledge and reduce economic and social benefits to society in the long term.**
- **Relying on performance indicators for accountability practices distorts the university by judging only certain criteria, usually financial criteria.**
- **Scholarly academics have greater difficulty to succeed in this culture whereas entrepreneurial academics thrive.**
- **Breaking down a scholarly community built on trust and reciprocity because of an increase in strategic, individualistic decision-making about academic careers at the cost of community, professional/scholarly decision-making**

In the ideal rhetoric of the mission statements of these universities, there are many benefits to be gained from investing in overseas campuses and developing alliances with “brand” name universities in other countries. In fact, these global practices could benefit other countries as well as Australia, especially if they follow their stated objectives. For example, *Monash 2020* states that the university overseas campuses should be integrated into the culture of the country and each university should contribute to “the well-being and development of the country in which it is located” (Monash University 2002). To

some extent, this is occurring at Monash South Africa with its Centre for Law and Reconstruction. In addition, the university should consider adding health education with a focus on AIDS and TB that would benefit South Africa. Other skills that could be of benefit to South Africa are democratic-capacity building and conflict resolution skills. These social science and health-related areas are needed as well as the more utilitarian areas of computing and accounting. Development may well lead in this way in the future. Then the university could be thought of as a corporate citizen, not a corporate enterprise that is mainly profit-driven. Being civic-minded requires a different kind of citizenship, one centred on the public interest. The public interest value of universities is one of the crucial losses that comes with the privatization of universities. It is no doubt true that global universities can compete better in the productivity and profit stakes but are they losing a certain type of generosity towards the community.

At one time university scholars conserved, created and critiqued their national culture by teaching and writing its history, its language, its literature, its legal system, etc. As universities accept the challenge of globalization, they are likely to denationalize their teaching. Today universities prepare their students for jobs in TNCs that are already denationalized. If universities are preparing global citizens, will national languages and literature be replaced by a foreign culture's language and ideas? The global economy is dominated by the values of consumerism and individualism. Is it the duty of universities to teach these values or offer alternative values to students?

There is no doubt that this is an era of greater interconnectedness and this can be a benefit to academics and students as they exchange ideas more quickly. Scientists can find cures for diseases more readily. Social scientists can share their knowledge to help

solve societies' social problems. The awareness of other cultures and a general global consciousness can instil greater openness and toleration of others. Unfortunately, globalization can also yield just the opposite result as people gain a frightening view of global problems and become uncertain about their future, turning them inward, making them less tolerant and more closed to other cultures and people from backgrounds different to theirs.

CONCLUSION

There is growing support for alternative visions after 9/11 and increasing concerns about the impact of globalization on communities and the inequities created by relying on a free market ideology. These concerns are evident if we consider the political trajectory of globalization over the past two decades. In the 1980s and early 1990s, it did not seem to matter much whether an ostensibly left- or right-oriented government was in power in most Anglo-American countries. These governments ushered in changes that led to accepting the global practices of privatization, marketization, and new managerialism. All made radical changes to the way universities were organized and to the lives of academic workers. Currently, though, there are concerns about whether the move to the New Right has gone too far, with too great a loss to public services. For example, Henderson (2001) reports that privatization in Australia delivered little improvement to the financial performance of most government businesses. Even in the United States, where the efficacy of the market is most trusted, there are beginning to be questions about privatization and deregulation. After the September 11 attacks, US politicians replaced private providers of airport security systems with federally hired screeners. In Dallas, school trustees voted to end their contract with Edison Schools, the

largest for-profit school chain in the United States, because test scores were not good enough to justify their fees (*Newsweek* 2002: 10).

In a comprehensive review of the empirical work on privatization, Birdsall and Nellis conclude, “At least initially, and on average, privatization has worsened wealth distribution (highly likely) and income distribution (likely)” (2002: 18). A number of Asian countries are eschewing the privatization route and instead funding their universities at a very high rate. In Britain and Australia, the political parties of the left are considering raising higher education funding rather than draining the system of funds, which occurred in these countries over the past decade.

Despite these setbacks in the ideology of neoliberal globalization, global forces will not disappear. Universities will continue to be challenged by a changing world that will become more integrated with each new advance in communications technology. The borderless world is a reality in many aspects of our lives and will become more so in the future.

What are the values that we want universities to maintain in this borderless world? Writers agonize over the loss of the humanistic dimension and the need to strengthen the “soul” or essence of the university (Hickling-Hudson 2000; Kelly 2000; Gidley 2000). Williamson and Coffield (1997) want institutions of higher education to nurture personal integrity, honesty, and democratic ways of working.

Rooney and Hearn (2000) warn us about the commodification of knowledge and the need to maintain openness and collaboration in our search for new knowledge and to maintain trust in learning relationships. Hickling-Hudson (2000) also wants universities to cooperate with communities and to honour the scholar-activist who engages with

society in the quest for solutions to community problems. How can these values survive in the face of managerialism and the more competitive, commercial environment?

Academics are choosing to leave Australian universities, taking early retirement, shifting to other jobs, or taking appointments in other countries due to the increasing commercialization of their universities. A lead story in *The Australian* Higher Education section in July 2002 captured the feelings of two of the prominent academics, one leaving Melbourne and the other Monash, citing the “profit motives” of Australian universities. Simon During, accepting a position at Johns Hopkins, stated: “The pressure to make money for universities has almost become the overriding part of the academic’s brief. As a result the intellectual life at Australian universities has been significantly weakened” (Madden 2002: 31). A week later another article in *The Australian* reported that two more humanities professors had left for posts in American universities. They stated that they had lost faith in the Australian university system. One of these was from Monash. He cited a catalogue of reasons for leaving the university, focusing on the devaluing of excellence and originality that had been prized by Monash in the past.

The reactions to the profit imperative are not restricted to these three universities in Australia. They just happen to demonstrate some of the excesses of the corporatization of Australian universities. At La Trobe University, Maslen (1999) noted that academics were too frightened to question the decisions being taken within the universities. A politics lecturer at Monash, Paul James, warned of the “slow death of public debate” and said universities were “reeling from the imperatives of economic rationalism. The first way of curtailing public debate is to treat university lecturers as corporate employees,

with continuous performance assessments and careful surveillance of anything critical they might say about their executive employers” (1999: 20).

Writing on critical dissent and the corporatization of British universities, Collier (2001) asks: “If the market is the measure of all things, and if only the ‘fittest’ institutions *and individuals* are likely to survive, where does such an economic rationalist discourse leave the ‘inquiring soul’ of the academic?” (2001: 20, emphasis in the original). Marginson’s (1997) answer, which relates to the importance of democratic collegiality, is to give greater priority to solidarity and cooperation, to nonmarket and noncompetitively inspired communities. As unions around the world protect their members from attacks on academic freedom, it is important to recognize the power of solidarity as a way of protesting current directions in higher education and the consequences they have for academic freedom.

Dissent is a critical aspect of universities and must be maintained at all costs. “It is still dissent that is pivotal if the university is about creating an alternative future” (Inayatullah 2000: 227). Moreover, Said points out that the “challenge of intellectual life is to be found in dissent against the *status quo*. Universities are organizations like no other; they are institutions where the principal product is dissent, or opposition to received wisdom” (1994, cited in Morley 1999:4). Moreover, Smith and Webster argue that university education is about creating thoughtful citizens. Universities, they say, must be concerned with

the conduct of critical enquiry and rational debate, nurturing abilities such as a capacity to distinguish opinion from evidence and to evaluate an argument dispassionately, to learn independently and in groups, to develop abilities to present coherent arguments, to improve the sophistication of one’s thinking, to open one’s imagination and

reflexive capabilities, to improve analytical capacities and to think conceptually. (Smith & Webster 1997: 108)

The search for profits risks the loss of the soul of the university and the essential values of facilitating critical dissent and creating thoughtful citizens. These values can exist in global universities. However, they are more likely to be found in universities that are democratically collegial, publicly funded and community-oriented rather than in managerial universities created to make a profit. We must cherish these values and guard against their disappearance in the global universities we create.

References

- Allport, C. 2000. Letter to the Editor, *Higher Education Supplement, The Australian*, Wednesday, 23 February.
- Allport, C. 2001. Educating and organising globally: perspectives on the Internet and higher education, *Australian Universities' Review*, 44 (1&2): 21-26.
- Bachelard, M. 2001. From schoolboy bullies to bosses behaving badly. *The Australian*, Wednesday May 30: 13.
- Birdsall, N. and Nellis, J. 2002. Winners and Losers: Assessing the distributional impact of privatization. Working Paper Number 6, May, Washington, D. C.: Center for Global Development.
- Collier, R. 2001. "Gender, the academic career and work-life balance: Women, men and the 'private life' of the law school." Paper presented at the LSA Conference, Budapest, July 4-7.
- Cunningham, S., Ryan, Y., Tapsall, S., Stedman, L., Bagdon, K., Flew T. and Coaldrake, P. 2000. *The Business of Borderless Education*. Canberra: DETYA's Evaluations and Investigations Program.
- Currie, J. 1999. Alternative Responses to Globalization Practices in Universities: The Value of Democracy. Paper presented at the Conference on Re-Organizing Knowledge: Trans-forming Institutions, Knowing, Knowledge and the University in the 21st Century, University of Massachusetts, Amherst, September 17-19.

- Currie, J., DeAngelis, R., de Boer, H., Huisman, J., and Lacotte, C. 2002. *Global Practices and University Responses*. Westport, CT: Greenwood Press.
- Department of Education, Science, and Training. 2002. Statistics relating to higher education 2001. Australian Commonwealth Government, Canberra. Retrieved 1 August 2002 from: www.det.gov.au/highered/statinfo.html.
- Gidley, J. 2000. "Unveiling the human face of university futures." In S. Inayatullah and J. Gidley (Eds.) *The University in Transformation: Global Perspectives on the Future of the University*. Westport, CT: Bergin and Garvey: 235-245.
- Hall, P. A. and Soskice, D. 2001. *Varieties of Capitalism*. Oxford: Oxford University Press.
- Henderson, I. 2001. "Little to show for reforms." *The Australian*, June 12: 10.
- Hewison, K. 2001. Globalization: Challenges for liberals. Keynote presentation to the Council of Asian Liberals and Democrats Conference 2001, Manila, 15-17 November.
- Hickling-Hudson, A. 2000. "Scholar-activism for a new world: The future of the Caribbean university." In S. Inayatullah and J. Gidley (Eds.) *The University in Transformation: Global Perspectives on the Future of the University*. Westport, CT: Bergin and Garvey: 150-159.
- Hodges, L. 2002. Higher education: Why dons won't be logging on Today, the Association of University Teachers is voting to boycott online courses run by an elite group of universities around the world. *The Independent – United Kingdom*, April 25.
- Inayatullah, S. 2000. "Corporate networks or bliss for all: The politics of the futures of the university." In S. Inayatullah and J. Gidley (Eds.) *The University in Transformation: Global Perspectives on the Future of the University*. Westport, CT: Bergin and Garvey: 221-233.
- Kelly, P. 2000. Higher education fails the test. *The Australian*, Wednesday May 17:15.
- Ketchell, M. 2002. Melbourne Uni Private gets research ultimatum. *The Age*, 7 February. Retrieved 14 February 2002 from: www.theage.com.au/news/state/2002/02/07.
- Kosky, L. 2002. Review of Melbourne University Private Ministerial Response. Victorian Minister for Post Compulsory Education Training and Employment & Minister for Finance, February.
- Light, D. 2002. University challenge. *The Bulletin*, April 9: 18-23.
- Madden, J. 2002. How Simon got his grove back. *The Australian*, Wednesday July 3: 31.
- Marginson, S. 1997. "How free is academic freedom?" *Higher Education Research & Development* 16 (3): 359-369.
- Marginson, S. 2001. Australian Higher Education and the International Student Market: Commercial affluence and public squalor. Paper presented at the Globalization and Higher Education–

- Views from the South Conference, 27-29 March, Capetown, South Africa.
- Marginson, S. and Considine, M. 2000. *The Enterprise University: Power, Governance and Reinvention in Australia*. Cambridge, England: Cambridge University Press.
- Maslen, G. 1999. Security guards spark Monash protest. *Campus Review*, 9 (17): 20.
- Monash University 2002. Global Development. Retrieved 9 August 2002 from: www.monash.edu.au/intoff/globaldevelopment/framework/campuses.html.
- Morley, L. 1999. *Organising Feminisms: The Micro-Politics of the Academy*. London: Macmillan.
- NAFSA: Association of International Educators. 2001. Public Policy/data on International Education. Retrieved June 2001 from: www.nafsa.org/content/PublicPolicy/DataonInternationalEducation/data.htm.
- Newsweek*. 2002. Edison's troubles. September 2: 10.
- Ramsey, G. 2001. The Report of a Review of Melbourne University Private Limited for the Minister for Post Compulsory Education, Training and Employment, December
- Richardson, J. 2002. Performance pay plan for uni staff. *The Australian*, Thursday August 15: 2.
- Rooney, D. and Hearn, G. 2000. Of minds, markets, and machines: How universities might transcend the ideology of commodification. In S. Inayatullah and J. Gidley (Eds.) *The University in Transformation: Global Perspectives on the Future of the University* (91-102). Westport, Conn.: Bergin & Garvey.
- Schwartz, S. 2000. Australia's Universities: Last of the Great Socialist Enterprises, Address to the Centre for Independent Studies, No. 1, Sydney, February 10.
- Shand, A. 2002. Who's afraid of Melbourne University private? *The Weekend Australian Financial Review*, June 1-2: 22-23.
- Sklair, L. 2001. *The Transnational Capitalist Class*. Oxford: Blackwell Publishers.
- Smart, D. and Ang, G. 1999. The Impact of the Asian Economic Meltdown on WA Educational Institutions 1997-1999. In D. Davis and A. Olsen (Eds.) *International Education: The Professional Edge*. (117-134) Canberra: IDP Education Australia.
- Smith, A., and F. Webster. 1997. "Conclusion: An affirming flame." In A. Smith and F. Webster (Eds.) *The Postmodern University? Contested Visions of Higher Education in Society*. (99-113). Buckingham, England: Society for Research into Higher Education and Open University Press.
- Surowiecki, J. 2001. "The financial page: Bad company." *The New Yorker*, March 12: 46.
- The Economist*. 2001. Is globalisation doomed? September 29th: 13.
- The Tertiary Education Report* (2001) U21Global on Track? Vol. 10, No. 10 (3 August): 2.
- Thompson, H. 2000. Open Letter to Students from President of Academic Union, Murdoch University, Perth, Western Australia, 17 March.

Western Australian Technology and Industry Advisory Council (2000)
Export of Western Australian Education & Training Constraints and Opportunities. Perth: Western Australian Technology & Industry Advisory Council.

Williamson, B. and Coffield, F. 1997. Repositioning higher education. In F. Coffield and B. Williamson (Eds.) *Repositioning Higher Education* (116-132). Buckingham, United Kingdom: Society for Research into Higher Education/Open University Press.

Winefield, A. H., Gillespie, N., Stough, C., Dua, J., and Hapuararchchi, J. 2002. Occupational Stress in Australian Universities: A National Survey. Retrieved 20 June 2002 from: <http://www.hr.murdoch.edu.au/staff/er/attach/AE0021.htm>.