

POLICY INSTITUTE

Enlightened Universities

Beyond Political Agendas

Professor C Duncan Rice

with an introduction by

Professor Peter Jones

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Synopsis

The debate on higher education usually revolves around money. Rarely do we consider what universities are really for. The current objectives of a 'smart successful Scotland' do not go far enough. Universities are better educators than trainers. There is nothing embarrassing about knowledge for its own sake. Our universities should prepare students in three ways: to learn how to reason, to be a good citizen, and to study the ordering of society. They must also act as guardians of culture within the human mind. In acting beyond the short term agendas of the state, universities must achieve greater financial independence through establishing endowments by attracting large scale philanthropy.

POLICY INSTITUTE

108 Holyrood Road, Edinburgh EH8 8AS Tel 0131 620 8587

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Introduction

By Professor Peter Jones

“A University should be a place of light, of liberty and of learning”

Few would disagree with Benjamin Disraeli's aspirations in 1873, and yet debate still rages in Scotland about the nature of universities. We seem to be unclear about the most appropriate structures, how they should be financed, their relationship with the state, and their roles as agents in the economy.

Scottish universities have changed more radically over the last forty years than at any time since the beginning of the eighteenth century. Most of the pressure for reform has come from outside. However, the quality of internal reflection and external promotion has often been inept. Genuine, and originally quite innocent, requests by outsiders for explanations of practices, goals, criteria of success, recruitment and accountability have been met with defensive dismissals, if not offensive obscurities.

Professor Duncan Rice provides a powerful antidote to this uncertainty. His paper is a modern reappraisal of what universities are for, and how they should relate to the state. To ask what universities are for is a perennially proper question: but answers require constant acknowledgement of changing contexts, and awareness that a search for an unchanging essence is doomed to failure. Why? Universities are institutions devised by human beings to fulfil agendas, satisfy needs and aspirations, and function within social and political constraints. Constant change, at various rates and on different scales, characterises all long-living institutions. This is why regular and serious thought such as that applied here by Duncan Rice is so valuable.

At the centre of his analysis is the claim that universities must not just be used as training agencies for the economy. Much recent research has indicated that the citizen is best trained as an effective economic animal at a quite different stage. A recent lecture to the Fraser of Allander Institute suggested that state resources should instead be focussed on nursery age children in this respect.¹

Some might question if the state should act as a ‘pump primer’ of economic growth at all, whether through education or any other medium of intervention. Rice confines himself to making a powerful case in favour of university education as a civilising force, beyond mere ‘usefulness’.

But this raises a further question. The rapidly increasing reputation, from the late seventeenth century, of what we now call the ‘sciences’, all of which were proclaimed to have utilitarian benefits, forced all other disciplines to make their own case. Medicine, the law and theology initially traded on their longstanding utilitarian propaganda. But what was the case for studying classics or philosophy, indeed any of the ‘arts’ or ‘humanities’? Ever more strident answers typically made one or more of four claims: study of the humanities heightened imagination, enhanced our leisure, softened the temper and, above all, uniquely

¹ In the lecture “Skill Policies for Scotland”, Professor James Heckman cast doubt on the efficacy of ‘life-long learning’ and suggested that most students should pay for their own higher education. Crucial skills needed to produce an effective workforce are learnt at a much earlier stage.

disciplined the mind. But precise and convincing evidence was never provided. Enquiry whether the study of medicine, the laws of nations or quantum mechanics could not do these things as well as teaching us something of practical use was always met with incredulous silence. The very question betrayed a vulgar philistinism. Further, proponents of the humanities borrowed an idea from antiquity: thinking was asserted to be in all ways more superior than doing although, remarkably, only some thoughts were deemed to be worthy.

Duncan Rice provides a much more carefully argued answer to this question. Universities were, and are, supposed to be places where any question can be asked, any enquiry undertaken, any thought explored: and all evidence re-examined. The forming of such frames of mind are among the core tasks of universities, and they can be most effectively fulfilled within different disciplines.

To fulfil such tasks, universities must achieve greater independence from politicians. Debates such as the current one on whether the state should try to merge various higher education institutions must quickly be confined to obsolescence. The short-term agendas of politicians rarely match the longer-term ambitions of universities, nor will their transient political values match the transcendent values of learning. Adam Smith, echoing his friend and mentor David Hume, famously cautioned that no single politician either does or could know enough to warrant the judgements he makes in the exercise of his power. For education is, indeed, a route to freedom from ignorance and the freedom to question. To deny enquiry, to simplify complexity, to constrain thought - these are roads to servitude.

Independence from politicians can only be realised with financial self-sufficiency for our universities. Duncan Rice steers clear of the current controversy about tuition fees. It is probably sufficient here to observe that if the role of universities as economic training agencies becomes discredited, then presumably the state will no longer be justified in subsidising mass attendance of universities as a tool to boost economic growth. Instead it will concentrate its fire on school and pre-school age learning, or preferably desist from attempting to stimulate economic growth altogether. The trend towards fee-paying will thus continue.

Meanwhile, Professor Rice makes a powerful plea for Scottish Universities to achieve greater independence by securing financial endowments like their counterparts in the United States. Although Adam Smith was suspicious of endowments - he thought that they induced laziness in academic institutions - the great variety of courses and colleges on offer, together with the mobility and choice available to modern students probably obviates this.

Duncan Rice is entirely right to insist that everyone within universities should be able to explain in literate, intelligible ways precisely why they are doing what they are doing, the ways in which they do it, and whether there are better ways of proceeding, or better things to do. A society which withdraws from such challenges consigns itself to fearful ineptitude.

Professor Peter Jones is Emeritus Professor of Philosophy and former Director of the Institute for Advanced Studies in the Humanities at the University of Edinburgh. He was a Trustee of the National Museums of Scotland from 1987-1999 and has been a member of the Government's Spoliation Advisory Panel since 2000.

What Are Universities For?

Higher education periodically finds itself to the fore of political debate - even controversy. That is usually because, as has recently been the case, a government review broaches the issue of who should pay for higher education - or because universities, as always, are asking for more funding.

The debate is commonly a limited one. It rarely asks what are our Universities are for, or what will make them great. If the 'for' question is raised at all, it focuses on universities as economic agents which can train graduate employees for industry, make good industry's failure to invest in research, or create whole new jobs by commercialising new technologies. We frequently hear, too, about widening access to higher education. There's less anxiety about what we are widening access to. With all the debate and the rhetoric over 'the knowledge economy' or 'lifelong learning', we are in danger of obscuring behind a screen of jargon the core characteristics of universities and the key criteria of their success.

For the rest of the time we focus on the level of state subsidy we should receive. How much the consumer should pay us is even more contentious. It's unreasonable that we pay little attention to the prior question of what is being paid for. We may not get *enough* money, but it's certainly too much to justify on the basis of weak clichés like 'social access' or the 'knowledge economy'.

I'm going to try here to address fundamental questions that rarely enter the debate. Universities have historically had, and still have, a wide range of roles.

Supporting the economy is only one of them, and arguably not the most important, except in an indirect sense. **The debate in Scotland must not stop at a utilitarian conception of universities.** We must insist that society judge us across a set of criteria broader than those defined by a politically determined agenda. It's not that it's a bad agenda - and indeed I am personally sympathetic to it. But if we want to see our universities thrive, we need to look beyond social and economic engineering.

Scotland's universities must, of course, serve Scottish society - but that cannot be defined in narrow terms without social and cultural risk. There are national priorities which are distinct from political priorities, such as the central importance of educating a sceptical and ethically sensitive

electorate. There are, moreover, national priorities which are also political priorities, where the connection with the university contribution has been inadequately recognised. An example to which I will return is the part universities could play in helping Scotland embrace its twenty-first century commitment to multi-culturalism and multi-ethnicity, which is an issue on which the First Minister is powerfully eloquent.

My principal interest is not in reaching conclusions, but in defining terms of discourse. What I offer is a critique of contemporary Scottish discussion about the purpose of higher education. Arguments on the traditional and perhaps more abstract roles have slipped from that modern debate, but they are vital to the success of our higher education institutions and our society. A secondary but important question, of course, is whether Scottish universities and their leaders, as they define their agendas and seek the resources to support them, should continue to increase their interaction with constituencies beyond government. More fundamentally, is it inescapable that the state should continue to be our principal support and partner?

Beyond Slogans

Universities in Scotland - including my own - are adept at arguing for those aspects of higher education that fit the government agenda. That isn't surprising since that is where the money lies. Largely it is the agenda of building a 'Smart Successful Scotland', which for higher education comes laden with the associated rhetoric of the 'knowledge economy', the 'skills agenda' and 'lifelong learning'. No one has any problem with the slogan 'Smart, Successful Scotland' - although it would be more compelling if it were augmented by other adjectives like creative, thoughtful, imaginative, tolerant and cosmopolitan. Even on strict construction of the wording, we don't seem to be as successful as we might, judging by our record on economic growth. But what do we mean by 'smart'? Is it being able to think, or just to apply a particular skill? **There is no consensus on what kind of smartness the country needs, except that it would be good if lots more people went to university.** It certainly would, but that judgement is on instrumentalities and not on experience or outcomes. The slogan is universally accepted, but it gives rise to more questions than it answers.

The same is true of the dominant language used to explore the role of universities. "Lifelong learning", for example,

carries with it the implication that until we came up with the term a few years ago no one learned anything after they left university - or perhaps never learned anything at all if, as so often was the case, they didn't go to university. Even if we don't accept the full burden of the myth of the democratic intellect, the inference is ahistorical. The 'skills agenda' has the same kind of limitation. In university terms it means something connected with the employability of graduates, or the usefulness of their degree or their ability to handle a vocation. It has very little to do with preparing them for life, or for the changing job opportunities of lifelong learning, or perhaps even for a successful career.

Education Or Training?

A core question is whether our role is in education or training. I suggest that it is the former that universities deal with best. The first degree should provide not just vocational skills - indeed it need not provide any vocational skills - but it must provide the capacity to reason, to use evidence to analyse, to learn. Education is what gives people enough capacity for thought to acquire new competencies and adapt to new demands throughout life. Secondary education should begin building that capacity and universities strengthen it. Once someone has that capacity, new skills can be gained through their life from a whole range of services, not least from employers themselves. Such sources may not, perhaps should not, be universities.

As for the knowledge economy, Scottish universities have made credible progress over the past few decades in responding to vocational needs, in commercialising intellectual property, and in working more effectively with industry, while at the same time adapting to a mass system of higher education with the best participation rate in the UK. That record, of course, can be improved, but it's certainly not one to be ashamed of and it has been achieved in spite of resources declining in real terms. **In 2001-02, with 9% of the UK population, Scotland produced 21% of the UK's successful patent applications and 12% of the UK's spin-off companies.**² Even at Aberdeen, a relatively small institution in UK terms, we have spun out five companies in the last two years. Their specialisations range from pipeline leak detection technology to treatments for Alzheimer's disease.

² "Higher Education Business Interaction Survey 2001-2002", The Scottish Executive, February 2004.

I still believe we can do more. But just as **universities cannot alone make up for the limitations of primary and secondary education**, we cannot by ourselves make up for the inadequacies of Scotland's record on corporate investment in research and development. The country is deluding itself if universities are postulated as either the sole problem behind or the sole solution to the lack of investment in research and development in Scottish industry. Scotland spends 0.6% of GDP on research and development. It's a dismal figure. It is lower than the UK as a whole, which at 1.3%, is itself lower than the rate of most other OECD countries.³ This view was confirmed recently by the findings of the UK Government sponsored Lambert review of business and education. It concluded that the challenge for our research base was not how to increase the supply of commercial ideas from universities, but how to raise the demand by business for research from all sources, including internally funded in-house work.

More Than Usefulness

The word 'usefulness' is rarely used, but the nature of the debate implies that it is the main, though tacit, criterion for the success of our universities. Our contribution to economic development, the 'relevance' of our degree programmes, the short-term employability of our graduates, our ability to widen access to higher education, are the grails for which we are urged to strive. Of course these *are* among the criteria upon which we should be judged. But they obscure our other functions. It is as if we dismantled an onion and decided to concentrate on one layer. In our anxiety to take part in a discourse defined by the political agenda, we have undersold those contributions that don't have short-term vocational advantage for the individual, or immediate and measurable economic benefits for the country. This has by inference under-emphasised our more fundamental historical contributions. I believe it is time for us to come out fighting on behalf of our traditional roles, because they are much more fundamental to Scotland's health than our short-term success in job training, commercialisation, or social access. So, unashamedly, I am arguing for 'old' values.

There isn't anything disgraceful about our role of teaching young people to reason and to make ethical choices, nothing embarrassing about knowledge for its own sake. We don't

³ "Business Enterprise Research and Development in Scotland 2001" The Scottish Executive, Aug 2003.

argue enough about our role as custodians of abstract knowledge, as reservoirs of the cultural heritage of this – and other – countries, or as champions of the pluralism upon which democratic discourse is based. We talk too seldom about education as a preparation for life, about promoting scepticism and dispassion among the future citizens of a civilised society. We don't defend expanding the pool of knowledge as an end in itself, because that will be the bank from which future generations draw new insights into their problems, and perhaps even new technology solutions.

All these contributions are invaluable. Scotland badly needs them if we are to be any kind of country worth living in. **Undervaluing non-vocational research and teaching will jeopardise our national intellectual and cultural life, and even our success as a humanely functioning democracy.** It will also weaken the competitive standing of universities at the international level. We are one of Scotland's most successful enterprises, and it is in terms set internationally by our own enterprise that we will be judged. No one in Palo Alto or in Cambridge, Massachusetts cares in the slightest about our successes in promoting growth, far less social access. What they are actively interested in is the quality of our research and teaching - and that certainly includes the humanities, social science, and pure science. It is in these terms that they define our success.

The partnership between Scotland and its universities is one we must build for the long haul. It's a useful exercise, therefore, to look beyond the contemporary agenda to identify those aspects of the university we must support regardless of whether the state, the political process, or the media encourage us to do so. That gives the clues to the core values which define the future quality and competitiveness of Scottish universities.

Three Core Objectives

I can't do better than quote John Robertson, the Rector of Dollar Academy:

"In the end, if the Scottish education system is to develop, it would do well to look once more at ... the love of learning in a real context; the encouragement of creative handling of ideas by young people; the inspiration to provide a better society for all. That ... might remove the

*corporate depression which so often accompanies any discussion of education in Scotland today."*⁴

It's not a coincidence that the values Robertson specifies, and perhaps one or two others, are those which would maintain Scottish universities as one of our most important national industries, fully competitive with the best in the world, instead of channelling energy into more short-term local agendas.

Up to this time, I have been switching backwards and forwards between the commitments we must adopt in the Scottish classroom, and the attitude needed to make us fully competitive in international research rankings. Actually the two interlock and are mutually reinforcing – and I want to go on to treat them in an integrated way as a set of goals I would like to see Scottish universities striving for. Actually I believe that to some degree we are striving for these already. But we will only be successful if we make compatible what we want to do and what we argue we must do – if we construct a rhetoric which glorifies our objectives. At present we seem to me to be losing our self-esteem and creating a mismatch between discourse and action by describing ourselves largely in terms of objectives defined by a utilitarian political dialogue.

A first objective should be to protect those elements of education that give students the capacity to reason - and not just within the parameters of a given profession for which they are preparing. The capacity to reason can flow from training in the hard sciences or mathematics - or for that matter from vocational material like law or accountancy if very well taught. But there is also a powerful argument here for the continuing relevance of the humanities, such as moral philosophy, history or classics. They too teach students to think and to question, to use evidence, to be sceptical - and perhaps not least, they teach them to admire human achievement. The competence they impart is fundamental to democratic processes. An awareness of the historical and cultural context of any society is crucial if it is to avoid all kinds of political and social mistakes. It's less obvious, but seldom said, that these subjects are also pertinent to a life in business. Although I will not name them here, I could provide countless examples of highly successful Scottish business leaders who hold such degrees. Major employers are not even unanimous that they want 'job ready' graduates, or that they prefer vocational to abstract

⁴ J Robertson, in Conference and Common Room, Vol 41, Spring 2004.

preparation. It's not an accident that a survey compiled for the Scottish Higher Education Funding Council last year suggested that many employers favoured graduates who had taken traditional degrees from Scotland's four ancient universities.⁵

The second attribute to cherish is our capacity to prepare students for citizenship. This means exposure to whatever will teach them to make ethical choices and to make informed decisions about the welfare of their own society. We can all agree that the environment, health care, the economy, education are too important to be left to experts or politicians alone. The new democratic Scotland needs its people to have that capacity. If fifty per cent of voters are to go to university, it's more than ever our responsibility to make sure that we prepare them in the widest sense to participate in society and in political discourse.

Third, our universities have historically had a competitive strength on issues related to the ordering of society, and we must keep it. Scotland cannot thrive without becoming a technologically sophisticated nation, and universities must pay heed to that. The economic indicators suggest we will be in deep trouble if we don't. But what we have been best at over the years is thinking and teaching about living in civil society, about ways of managing human affairs. That, after all, is what the Scottish Enlightenment was about. That was what enabled us through Reid and the Common Sense School of Philosophy to dominate the thought of the American republic in its first century - quite apart from inventing modern social science through Smith and Mill, modern sociology through Ferguson, and literary criticism through Blair. The social sciences and humanities must be supported, even where they aren't addressing applied problems of short-term interest. We must encourage thought about the concept of nationhood, about the good society. By that I don't mean thought about Scottish social policy, or about Scottish problems, though universities can and do help with these. I mean encouraging thinking about man (and woman) in any society and any culture. What our scholars do and what our students need to learn and think about can't be defined by merely Scottish problems, or merely by short-term agendas. Their duty is to think and to teach on the general, and then

⁵ "Higher Education: Higher Ambitions? Graduate Employability in Scotland" Critical Thinking, Policy Works, Scottish Council Foundation, January 2003

apply our wisdom – and our students’ wisdom – to the particular problems and needs of their new Scotland.

There are many aspects of the First Minister’s work which I admire, but he is perhaps at his best in arguing for a Scotland which welcomes people from all cultures and religions. That is good ethics, but it is also good economics, and it is inspirational. The Scottish Executive’s ‘Fresh Talent’ initiative rightly highlighted the role of our universities in attracting bright individuals to Scotland. But universities can also help build the kind of cosmopolitan society that celebrates and understands diversity. I’m not sure either that we have done enough of that, or that our role in doing so has been recognised.

Universities are places where the study of history, culture and religion goes beyond the shores of Scotland.

Of course we should study Gaelic culture, but arguably we don’t do enough on the culture and religion of non-Western societies. My own university, for instance, is only able to provide vestigial offerings on the literature and cultures of Africa, the Middle East, South Asia, or East Asia. Given the pressure on resources, I don’t immediately see what to do about this, but nothing is more important than to give Scottish students a chance to learn about the richness and integrity and difference of non-Western cultures. Of course nothing prevents us from doing so, except the constant trade off of resources, but that’s a powerful pressure, and no one encourages us either, not even ourselves. At another level, we often tend to see Scottish problems in isolation. We look at rural Scotland, for example, without asking often enough about parallels with Scandinavia – or for that matter rural Canada. If we are serious about a cosmopolitan Scotland, then we must not put our universities in an academic straightjacket made in Scotland.

The point I am making is that there is little universities can think or teach about that is more important than the divergence between eastern and western cultures, or the problems of maintaining a plural society at home. Yet I cannot remember a single occasion, amid the fusillade of slogans on social access and the knowledge economy, when any political or media comment has exhorted us to pay attention to such things.

Universities As Guardians Of Culture

It is, however, encouraging, to see the First Minister arguing that culture itself should be at the heart of government. In

his St Andrew's Day speech last year he argued that "Culture cuts across every aspect of government – it can make a difference to our success in tackling poverty, it can make Scotland a healthier place and it has a significant contribution to make towards our economy". I accept and welcome his arguments, and only add that the arts are critically important for their own sake as explorations of the human – even the Scottish – condition.

On this front too, Scottish universities make a difference and could make a greater one. We are guardians of priceless cultural resources that define this nation and the wider world. I don't just mean those of us who have museums, major libraries, art collections and so on, although we must cherish those. It's also the intangibles, the subjects which don't seem to be immediately relevant.

Pure or curiosity driven research is the foundation of tomorrow's applied research. Even pure mathematics, which often looks like an exquisitely beautiful intellectual game, is the reservoir for technologically important applications of the future.

As for non-scientific areas, historical or literary research for example, they are critical to the intellectual health of a nation. Enquiry in areas like these, or art, or music or theology, all enrich Scottish society and maintain and interrogate its cultural traditions. They inspire and engender a culture of aspiration by teaching us of the greatness of the human spirit. Most of all they make life worth living. Philosophy and ethics, for example, are not things contained within books alone. They are activities, thought processes, that new generations have to learn. The same applies to history. Where are such activities to be learned if not in schools and universities? Our universities must, in turn, also be a better friend to the contemporary creative arts themselves, not just to their historical appreciation. We are well served by the national conservatories and art colleges, but universities have a role in the actual production of art, and in its presentation to our communities – and that role could be expanded.

None of this is at odds with developing our economic role and the provision of technologies. That means moving technologies from the lab to commercial production. But let us also recognise the need for us to develop soft technologies. Adam Smith's thought on capital is a historic example, but so too is modern thought on policy approaches on the ordering of society, and so too are the creative arts

themselves. It is wrong to confine our thinking about technologies to those three-dimensional objects which must be fabricated and sold.

Reducing Dependence On The State

None of these commitments are new - indeed, they are the strengths we have inherited. Nor can they displace our role in meeting the current economic needs of Scotland which preoccupy the state. But as universities and as citizens we should want it all - absolutely everything that is useful, and good, and inspiring. Yet government can't pay for everything. **That means universities must be prepared to look after themselves** as well as expecting the state to provide for us.

I don't, of course, dispute that my own or any other Scottish university needs more money. Over the past twenty years we have massively increased the numbers of students we teach - willingly - without a corresponding proportional increase in funding. It's tempting to think that higher education is the worthiest of all causes, but in fact government must constantly balance demands for new funds for health services, primary and secondary education, social services, transport infrastructure, the arts, and care of the aged, against the needs of universities. In the long view, it will be amazing if government can find enough money to enable universities to do what it wants us to do to meet short term political agendas, let alone long-term agendas which are important to the country but have no immediate electoral pay-off.

I predict that **in ten years the dominant model for British universities will be a hermaphrodite one. Most of us - not just the minority of strongest and richest institutions - will be jointly funded by government and the private sector, and government will not be the senior partner.** The state will shrink to becoming an important customer, perhaps not always the more important one, though that may not mean its level of surveillance will decrease. That will raise important questions of autonomy. I don't want to address these here, but only to urge that we must prepare for a transition away from dependence on the state. In fact the transition is already well advanced. My own university, which got 88% of its funds from the state twenty years ago, now gets more than half from sources other than the Scottish Higher Education Funding Council (SHEFC). The stronger an institution is academically, the sharper this trend has been. At Edinburgh, only about a third of the budget is provided by SHEFC. All of us are already

scrambling for students' fees where these are permissible, for peer-reviewed grants, for contract and consultancy fees from industry, and increasingly for philanthropic gifts.

It's in philanthropy that our greatest hope of securing our own funding lies. It's important to note that philanthropy is not the same as charity. Charity is a simple response to human need, usually to social dysfunction. Scottish universities are not dysfunctional, in fact they are very good – but we are candidates for philanthropy, which involves giving to make an investment in bettering the human condition. It is philanthropy which has given American universities so clear a competitive edge over our own ones.

America is often vilified by citizens of European social democracies as a materialist and uncaring culture. That characterisation is at odds with its strong record on philanthropic giving. America gives more of its GDP to philanthropy and charity each year – around 2% – than any other western democracy. In Britain, the figure is 0.6%.⁶ After religious institutions, education received the next biggest share of the \$241 billion given by Americans in 2002, about \$31.6 billion⁷. Only five UK universities have endowments of over £100 million. There are over 200 in the US. On average the top 500 US university has fifteen times the endowment of the average top 100 UK University⁸.

That advantage has been accumulated for two reasons - one is the historical culture of giving. The other is that American universities have taken an activist approach to private fundraising. In Britain, and in Scotland in particular, it's an irony that we gave birth to one of the world's great philanthropists, Andrew Carnegie, yet dramatically lag behind the levels of giving in the country he emigrated to - although the example of the Hunter Foundation and some others shows that there are those who are committed to reviving this concept.

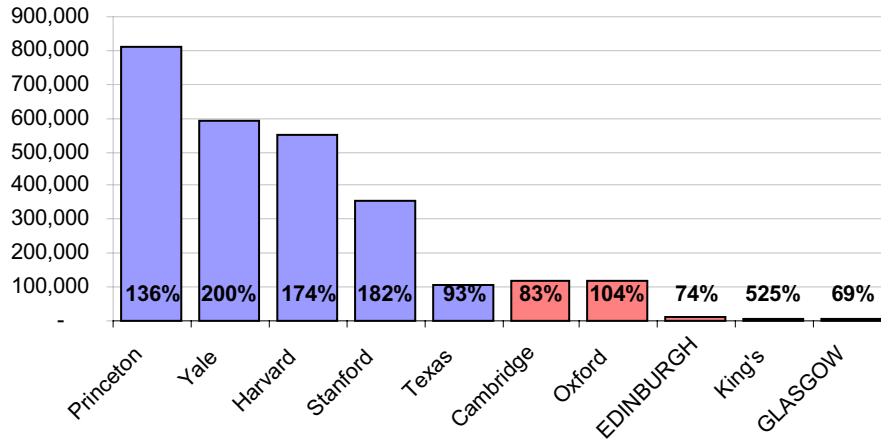
⁶ "University Endowments - A UK/US comparison.", Sutton Trust Discussion Paper, May 2003.

⁷ "Giving USA 2003, The Annual Report on Philanthropy for the Year 2002", American Association of Fundraising Council Trust, June 2003.

⁸ "University Endowments - A UK/US comparison." Sutton Trust Discussion Paper, May 2003.

Endowed In The USA

Endowment per student in top 5 endowed US & UK universities, showing % growth rate '94-'02



Source: Sutton Trust

Part of the reason we lack that culture is that in the latter half of the twentieth century the idea that the state should pay - for hospitals, for schools, for the opera, for museums and for universities - has become culturally so ingrained. As the welfare state developed, the concept that those whom society had made prosperous had a philanthropic obligation to put some - or much - of their wealth back into it got lost or at least de-emphasised along the way. This was not the fault of William Beveridge, the architect of the post-war welfare state, who always argued that the spirit of philanthropy also had to continue. Universities lost sight of that too, but the time has come to turn back the philanthropic clock.

We are now well into the redefinition of the welfare state and what it can support that began in the 1980s under the Conservatives, and continues today under New Labour, and in Scotland under the current coalition government. With the rise of the idea of public/private partnerships we are also seeing Government at the UK level put in place a number of measures to try and revive the philanthropic spirit. A few years ago the Chancellor began a 'Get Britain Giving' Campaign, and introduced a number of changes to the tax regime to bring Britain closer to America, where for many years it just has been easier and financially more inviting for the donor to give. This has been carried forward further by the Prime Minister's strategy document on charities, 'Private Action, Public Benefit'.

The changes to which I refer don't in themselves represent a culture change, or guarantee that one will take place, but they are a sign that we are recognising the contribution that private finance can make. And government is clearly keen to see what difference it can make to our universities. A spin off of the higher education review in England has been the establishment of a Task Force on Endowment in Higher Education led by my colleague Eric Thomas, of Bristol University, to examine the whole issue of endowment and fundraising within higher education. The recently published report has identified a number of issues.⁹ One is the culture within universities themselves, some of whom are still getting used to the idea that we can no longer assume the bulk of our funding will come from the taxpayer. In 1999, when we launched Aberdeen's Sixth Century Campaign with a target of £150m, then the largest in the UK as far as I am aware outside of Oxford and Cambridge, many thought we were being absurd. But in just over three years it had ended its first phase well over its first target of £40 million, and has now got comfortably past £50 million in receipts. I would love to have more people give to us, but at least no one in our constituency any longer dismisses the discourse of fundraising.

A new culture of philanthropy is going to require real organisational changes. It requires serious front-end investment in professional staff, and a different concept of university leadership. Fundraising requires a Principal to spend a great deal of time outwith the world of higher education, to open up new contacts and opportunities for his or her institution. A Vice-Chancellorial life of flag-waving and soliciting also presupposes delegating many aspects of academic and operating leadership to strong lieutenants, under the provostial model adopted by Edinburgh and now Aberdeen, though of course there are other good reasons for such changes. The days of Vice-Chancellors absorbed in the detail of quality assessment mechanisms may be over – though that doesn't imply abandoning our role as intellectual leaders. The new culture will also demand an approach to alumni relations that is highly sophisticated and professional, as well as appropriate supporting funds. Our US counterparts don't just benefit from a different philanthropic environment, they also invest heavily in it. What makes the difference is the return they get on that investment.

⁹ "Increasing Voluntary Giving to Higher Education", Department for Education and Skills, May 2004.

But it's important to keep things in perspective. Philanthropy is not an overnight solution to the funding needs of our universities. It's only part of the equation, and there is tremendous ground to make up on the US. It's encouraging, as a report by the Sutton Trust has pointed out, that it is only over the last twenty years that US universities have created their huge endowments¹⁰. But we must also remember that donations for unrestricted endowment purposes are the hardest of all to get. Most donors prefer to see their funding going towards specific ends that are close to their interests, many of which involved incremental projects that add to core costs.

There is one final point about private contributions that make them an attractive funding stream for universities. **Since private donors don't have to justify funding on the basis of short-term social or political needs, they are not imprisoned by the utilitarian agenda to which I have referred.** I can imagine a future – to oversimplify it – in which government funds will continue increasingly to support whatever university activity has a direct impact on economic productivity, while private moneys will fund areas of cultural and intellectual importance where the influence on our economic health is oblique. It's also likely that we will secure from non-government sources contributions to capital outlays on major building projects which are not immediately essential to core activity - such as sports centres, humanistic research libraries, preservation of ancient buildings, custody of museum collections and so on.

There are two ways in which a shift away from government dependency would be hugely beneficial. First, private donors can be encouraged to do something government cannot do – to secure science teaching and research in particular areas permanently, by endowing staff positions so that we are relieved from their recurrent costs. **Secondly, private money tends to flow towards, and strengthen, whatever is excellent.** Unless they are preternaturally sentimental, donors rarely wish to invest in anything second rate.

This model is only a cluster of predictions, but we are already on the way to meeting them. I repeat that a sharp decrease in the proportion of public funding will raise complicated issues of autonomy and accountability, many of which are already emerging. But my instinct is to deal with these when we come to them, and concentrate for the

¹⁰ "University Endowments - A UK/US comparison." Sutton Trust Discussion Paper, May 2003

moment on reorganising to get as much private money into Scottish universities as we can.

National, State, International Or Excellence Agenda?

Nothing I have said here argues against supporting the political agenda. The current one is, by and large, a good agenda, made more attractive by a recent stress on the cultural and artistic strength of our society. My point is that for universities political agendas are necessary but not sufficient. Governments come and go, and political priorities change with them. **Part of the role of universities is to serve society in its widest sense, national and international.** In a national context, our foremost obligation is to support the democratic health of the nation, by providing the questioning cast of mind that any pluralist society needs - just as we accept that the media has its own obligations to democratic society independent of the state.

But Scotland can never be all. Scottish political conditions make inescapable the pressure to concentrate academically on Scottish problems. For universities, that is a false construct. By way of example, cancer is not a peculiarly Scottish problem, but Dundee or Glasgow serve Scotland well by making a world contribution to medical research in that area. At times Scotland can be a laboratory from which we extrapolate our work for an international arena. Thus our research on g.i. cancers, which are bizarrely prevalent in Scotland, will be useful to every country in the world.

We must, therefore, celebrate research in our universities that does not at first hand deal with Scottish problems. It gives me great pride to see my own University, for example, leading a \$30 million project that is addressing the shocking rates of maternal mortality in the developing world - though an interesting gloss is that the initiative is built on insights Sir Dugald Baird drew from working on epidemiological problems in deprived areas of Aberdeen in the 1940s when it was a major problem in this country. There are similar examples of international work at every Scottish university. Whatever the urgency of Scotland's problems, our world contributions must be supported, though political realities mean that support will not necessarily come from Scottish government. Our maternal mortality project, for instance, is funded by the Gates Foundation, the Wellcome Trust, the European Commission, the United Kingdom Department for International Development, the United Nations Population Fund, the United States Agency for International

Development, the World Bank, and the World Health Organization.

It's not just a matter of financial support – we must also applaud work which is not merely local. To neglect doing so is as logical as regretting that Adam Smith had written the *Theory of Moral Sentiments* and *The Wealth of Nations* because the problems of civil society he contemplated were not unique to Scotland.

All those areas where our universities achieve excellence benefit this nation. World wide academic reputation is what defines our standing as universities. And that world wide reputation is defined by the valuable as much as the useful. That is why we can argue that Scotland invented American higher education - that the models at Princeton, Toronto, Pennsylvania, William and Mary or Dickinson College were products of the Scottish enlightenment. The international reputation of our universities was one of our Scottish glories. We haven't got worse, quite the opposite, but the international competition has got so much fiercer. We can only face that competition if we maintain a portfolio which is rich both in the useful and the valuable. We can only do that if we mount an aggressive search for the additional funding which government is not in a position to provide. That is consistent with the greater good of Scotland, and compatible also with our current partnership with government. And there's nothing distasteful about asking for money for something we deeply believe in.

Professor Duncan Rice is Principal of Aberdeen University. He was previously Vice-Chancellor of New York University.