

Something happened to Canada's universities during the last 15 years.

They lost interest in giving students a good education — and became obsessed with giving big business a good deal.

# THE HIJACKING OF HIGHER EDUCATION

Excerpted from a September 9 public forum on corporate control of universities

• presented by *Excalibur*, U of T's *The Varsity* and Ryerson's *CKLN*

## THERE'S ALWAYS STRINGS ATTACHED

**Janice Newson**

A couple of years ago at a university in Canada that will not be mentioned, a letter began circulating. It was a confidential letter, but as I happened to be one of the people who gets information sifted to me, I saw this letter.

The letter was a draft copy of a document that was going to be presented to graduate students coming into the science faculty. The students were going to be asked to sign a statement that would, firstly, pledge that they would not share any information about the research they were engaged in; and secondly, that they would be willing to defer publication of any results of studies they were involved with until they were given some specific permission. And the 'until' was really hinged on the idea of until patents had been obtained by the people who were funding this research.

For those of you who may be graduate students, this was an unusual kind of request. It was discovered, and because it was discovered, it disappeared. But I don't believe that nothing did ever come of it; I believe it disappeared, and whatever was to come of it happened under cover.

**THAT WHOLE INCIDENT** was actually created by the fact that within this university, there was a professor who had set up in the labs of the science faculty his own private company. It was a gene probe company. And when he'd got some venture capitalists to invest in it, he had become an owner of it. The university then had signed some kind of agreement to also have shares in the company, and therefore profit from whatever it profited from. And it was held in this university science faculty in a publicly-funded Canadian institution.

So in other words, students are coming into the university to get graduate training and something happens to them — if they work for him, he is their supervisor; he is also their employer, because they work in his company. As the employer he doesn't want the information that is discovered in his lab known to competitors. Because it's valuable property, he has proprietary rights over it. He wants to patent it. So he has to make sure that his graduate students won't leak this information anywhere, and won't publish it before the patents are obtained.

**THE SAME PROFESSOR**, earlier that year, had hired two industrial researchers for his company. And he had wanted these researchers to be given what was called adjunct professor status. Now why would he want that? Because if he could get it, these 'professors' could apply to get more funding, from public funds, for the research that was being done for his private company.

There were a few people in his department who had these funny ideas about academic freedom and institutional autonomy. They created a fuss and the vote did not go in his direction.

The next thing that happened is the chair of the department, sometime later, received some forms from the central administration. They were grant applications from these two 'professors.' The department chair, already having been mixed up in the controversy, decided he ought to consult some people. Some people said "don't sign this, this is completely wrong," because the central administration is not empowered to grant academic status of adjunct professorship to these two men.

**SO A GREAT STORM** erupted. The man who owned the company was very angry and threatened to walk away

with all his grant money and his company and all the profits the university would make. And the next thing that happened was the department — which, like any university department these days, was understaffed — suddenly was being offered the money for two short-term academic appointments in their program. This would sound like a bit of a feast in the middle of a funding crisis.

But there was this small print: these two appointments were actually going to be funded in a kind of tricky way — through grants from this professor's company. He was going to provide the department the money to hire two people.

The requirement, however, was that the two researchers who worked for his company had to be candidates for these positions. And not only that, but the professor himself had to be on the hiring committee. This created a great kaffuffle in the department, and after a very tight vote they voted to accept the money and the conditions.

**ALL OF THESE THINGS** happened around this one little incident of a professor setting up a company in a science faculty. This is an illustration of how the recent trend to link universities with corporations actually works. It's not an abstract issue.

Universities have now developed ways of trying to make profit centres out of themselves. That way they can

the view of the people who run the society, much too important to be left to themselves.

The universities are seen by industry as resources, as places where the risks of doing research, of developing this knowledge, can be spread out. Research is very expensive and it is also very uncertain. So the cost and the risk are *socialized*. You have a public institution and the taxpayer assumes the risk and the cost.

The other side of the coin, of course, is that the benefits have to be *privatized*. So the costs and the risks are socialized and the benefits are privatized through the whole array of proprietary structures that Janice Newson talked about.

**NOW, WHO** is doing the hijacking? There is this spectre that people talk about, 'the corporate takeover of higher education.' I want to get away from that a little because I don't think it's an accurate metaphor. Universities are being hijacked, not only by people outside — the corporations or government agencies, especially military agencies — they're also being hijacked by *insiders*.

At first it might seem logically crazy to say that universities are being hijacked by the universities. But the people who run universities these days are often not educators. So the 'hijacking' is a collaborative enterprise by both people outside the universities and people within.

**IN ADDITION TO** the sort of professorial entrepreneurship that Janice Newson was talking about, we found that the interlocking directorships between the universities and the corporations, in the States, has reached a point of almost *identity*.

It's long been the case that businessmen ran universities. And also university officials have sometimes sat on the local Chamber of Commerce, or local bank or something like that. What we see now, and it began roughly in the mid seventies, is an intensification of this interlock to the point now that it is the

typical case that university presidents in the States sit on the boards of the largest multinationals — and often on more than one.

When they sit on the boards of multinationals, it is not honourific. They get paid for it — and we've found that university presidents are making in the area of a quarter million dollars a year in retainers and fees sitting on corporate boards, in addition to their academic salaries.

So the community of interest between the corporation and the university is reinforced by very healthy remuneration. And in the United States, money talks — and it seems to a little up here too.

**NATIONALLY**, this kind of interlock is represented in an organization set up in 1978 called the Business-Higher Education Forum. Its membership is half CEOs of large corporations and half presidents of universities. And the CEOs of the corporations are all also on the boards of the universities, and all the academic members also sit on the boards of the corporations.

So you have a community of interests — I call them the pinstripe pirates, because of what they wear and because of what they do.

So the 'why,' again, is the corporations now need universities as never before, it's their lifeblood, the knowledge for their production. Who's doing it, again, is private enterprise, corporations — but not just outsiders.

**THE AGENDA** of the Business-Higher Education Forum — and its Canadian counterpart, the Corporate-Higher Education Forum — included patent reform so that universities could get patents on publicly-funded research.

If you have a patent, you have a monopoly. But unless you work the patent, unless you make the product, what good is the patent? What universities do is they issue exclusive licenses to corporations. And when we look at one university after another, we find that the presidents of



David Noble, Janice Newson, Linda Wayne and Claire Polster at Sept. 9 forum.

make money from the research they produce for clients who will pay.

And those clients are not the general public — they are industrial clients. But we also pay. We subsidize all of this with Canadian taxpayer money. But the money subsidizes research that increasingly is going for private benefit and private profit to these professors' companies.

And it's not as if industries have suddenly become philanthropic and have been dumping a lot of money into the university. There's always strings attached.

Janice Newson teaches in York's sociology department. She is the co-author, with Howard Buchbinder, of *The University Means Business*.

## INSIDER TRADING IN PUBLIC GOODS

**David Noble**

The title here is 'The hijacking of higher education.' So I want to try to explain why universities are being hijacked. And then I'll go on to try to identify who's doing the hijacking, and describe a little about what that hijacking entails. Janice Newson did a little prediction; I'm a historian by trade and so I'll talk about the past. But also, coming from the States, in a sense I've seen the future because what's happening in Canada has already happened in the States.

First the 'why.' In the last 20 years, universities have become central as never before to the political economy. They are the source of 'intellectual capital' or what is now called 'knowledge-based industry.' And because the universities have become so central, they've become, in