

# The Man with the Campus Keys



Andrew Norton speaks with  
Steven Schwartz

**P**rofessor Steven Schwartz, Vice-Chancellor of Brunel University in London since 2002, is now in his third country of residence. An American by birth and education, he came to Australia in 1978 and worked at the University of Queensland and University of Western Australia before becoming Vice-Chancellor of Murdoch University in 1996. He has published widely in psychology, and on a variety of topics for CIS. He was one of a group of Vice-Chancellors consulted by the British government on the reforms subsequently announced in the White Paper on higher education reform. He spoke to Andrew Norton in early February, soon after the White Paper's release.

**AN:** You've made your career in two of Australia's, and indeed the world's, most regulated industries—health and higher education. You've advocated free market policies to improve both. Were you a supporter of free market policies before your involvement in these two industries, or was this involvement the cause?

**SS:** I was always interested in free market policies, or more precisely in freedom in general, and its reflection in free markets. I come from the philosophical background staked out by Hayek and others who believe in individual liberty. They convinced me a long time ago that individual liberty means a better life for everyone. But I've certainly honed my ideas about how pernicious controlled economies can be from my experience in health and education.

**AN:** Given the difficulties of managing in a regulated industry, why did you want to become a Vice-Chancellor? It meant you shared the blame for a system you did not support.

**SS:** You are right. Blame gets sheeted home to Vice-Chancellors all the time. I can remember an academic at Murdoch University ringing to complain to me that his rubbish bin hadn't been emptied properly and that somehow this was my fault. Of course, there is the other side of the coin as well, which is that the Vice-Chancellor has the opportunity to make changes. In countries like Australia, where there aren't that many universities, Vice-Chancellors have a high public profile and an opportunity to influence government policy. Although there are obviously many forces at work, Vice-Chancellor's can help move things in a different direction, and improve universities for future generations.

**AN:** Are you able to do that in the UK as well?

**SS:** Actually, I think I am finding it somewhat easier in the UK than I had in Australia, despite the fact that there are many more universities. The Vice-Chancellor's role in the UK has tended to be more traditional—more like school principals—whose main focus has been inward. Those of us who have taken the opportunity to speak out in the media and engage in the political

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debate have, I think, influenced the legislation that has now been proposed by the UK government to reform the ways in which universities and students are financed, as well as related reforms in research. In many ways, the kinds of policies we are seeing arise now in Europe are coming out of the universities more than they are coming from government.

**AN:** Could you briefly explain what the British government is now proposing?

**SS:** At the very basis of the proposal is the Australian system in which university fees are repaid after someone has graduated and has a sufficient income to repay them. It is a feather in Australia's cap, and Bruce Chapman's [the ANU economist who was one of HECS' original architects], that it is often referred to as the 'Australian system' in the British press. There are minor differences around how it is being done, but these are largely to improve the systems on the basis of experience over the last 15 years or so. For example, there will be an opportunity for universities to charge different fees for the same course, which is not a feature of HECS. The money gained will go directly to universities as opposed to general revenue, which is seen by Australian universities as a major flaw in the current Australian system. The British system will also allow partial packaging of cost-of-living expenses in the higher education contribution scheme to be paid back later. The rationale for this is that students should be considered adults, and therefore parental income is not really a relevant issue.

**AN:** You've mentioned the different role of British Vice-Chancellors compared to Australian. Have you found being a Vice-Chancellor easier or more difficult there?

**SS:** I should say that it's changing. British Vice-Chancellors are now reaching out much more into the community, and being encouraged in doing so by the government. Part of the White Paper is about what's known in the UK as 'third leg funding', where universities get funding for research, funding for teaching, and (introduced about three years ago) funding for enterprise and reach-out to the community. This third leg funding was tried on a temporary basis and is now being made permanent. Because of this Vice-Chancellors have interacted more with local communities, businesses, and development authorities, because that's the whole point of enterprise funding. To do this, Vice-Chancellors are moving from being

internal administrators, to also working with industry and development agencies. Because it is my particular interest, I've chosen to spend a lot of time outside the university seeking these sorts of partnerships and bringing the university more into commercial activities.

**AN:** Is that closer to the American model of the university President?

**SS:** Yes. In the American model there is normally a Provost who is the chief operating officer and maintains an internal focus, and there is a President, who may or may not be an academic, but whose main job is to raise support for the university. Many people interpret this to mean asking rich people for philanthropy, and American Presidents do that and do it well. But it also means forging relationships with foundations, government agencies, and private companies. Australian Vice-Chancellors engage in the same activities but they are starting from a lower base.

In this connection, I should say that the argument about commercial research driving out pure, curiosity-driven research is a much louder one in Australia than it is in the US or UK. I think it is generally accepted in the US and UK that universities that use taxpayers' money to develop intellectual property have a moral obligation to commercialise their findings in order to bring the benefits to the people who paid for the research. Australian academics who argue that taxpayer-funded grants are solely for pure research are not only missing this moral point but they are probably also doing their cause a disservice. The UK and the US have won more than half of all the Nobel prizes ever awarded, and yet they also have the highest university commercialisation rates. This is because commercial and pure research go hand-in-hand. If you commercialise you get money. This money is used to provide the necessary facilities to attract the very best pure researchers.

**AN:** Part of your analysis of the health system is that low costs to the patient/consumer mean that it is overused—people go to doctors for minor ailments for example. Do you think government pushing down the price of higher education similarly causes it to be overused, with too many marginal students?

**SS:** I think not. Australia has a pretty high participation rate by international standards, but it is still below the American and some of the Scandinavian participation rates. There is a lot of room for including more people

in education. It could be different forms of higher education, not necessarily degrees in traditional areas.

**AN:** What about the American community college model?

**SS:** There is no one American community college model because each state runs its own. But in the states that have rationalised their higher education systems, community colleges allow people to begin on a ladder of education, which they can jump on or jump off at any time in their career with portable credits. They can work their way from associate degrees to bachelor degrees, mixing and matching in a way that's just not possible anywhere else. As a model that allows individuals to progress through an education system as they need it, when they need it, and when they are ready for it, it's got a lot to offer. Contrast this with trying to take institutions, which haven't got research staff, and haven't got facilities, and saying you are now a research university. There are 38 universities in Australia all trying to pretend they are Oxford. It's not sensible. The advantage of the American model is that it allows diversity.

**AN:** So you would support the British proposal to remove research as a requirement of being a university?

**SS:** I have mixed feelings about this. I have always worked in research universities and do feel that they offer an excellent education. Yet it is clear that research is not a necessary requirement of being a university. The vast majority of American universities don't do

research. Only 10% are research universities offering doctoral level degrees. The rest stick to undergraduates.

**AN:** Academics argue that their teaching benefits from their research. Do you think that's actually true on average, conceding that in some individual cases it is certainly true?

**SS:** If you are being taught by people at the cutting edge of their profession, people who are still alive in it, going to the conferences, reading the papers, writing the papers, then some of that spills off onto the students.

Researchers can often spread their enthusiasm to students, which makes the students more excited about learning. So I do think there is a connection. The difficulty we have to acknowledge is that a lot of people who work in Australian universities don't do any research. So how do you justify the argument for those non-researchers? Some years ago, I heard Geoff Brennan of the ANU give a paper at the Academy of Social Sciences in

Australia on the productivity of Australian economics academics. My memory was that the modal number of papers published by Australian economics academics over the period of his study was zero. A few academics accounted for most of the research. The rest cannot claim to be using their research to fire up their students.

**AN:** For all its faults, do you think the health system is better regulated than the higher education system? It has a large private sector so you can choose to pay more for a better or more timely service, which higher education lacks.

**SS:** Now having experience of the National Health Service (NHS) in the UK, I'm much more positive about the Australian system. I think the Australian health system may be unique in the world in the way it has been able to balance public/private arrangements. Some of the system works by coercion (higher income tax if you do not take out private health insurance). Nevertheless, by creating a private/public mix, and by not trying to control everything from a huge central bureaucracy like the NHS—which has more than one million employees—and allowing people to mix the two we've set up a competitive system. You don't have to be Hayek to realise that nobody is going to know enough to make the NHS work, and you get bizarre

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anomalies. For example, people with minor ailments receiving surgical attention before more serious patients because they have been waiting longer and the bureaucracy has promised to cut waiting lists. So while the allocation of resources in Australia is not perfect, I'm sure it is better than if we had a monolithic government-controlled system.

I believe that if we had a lively private sector in higher education we probably would have more innovation. That's what happened when Bond University first took off. Other universities felt threatened by a university that was saying we'll give you a degree in two years rather than three.

**AN:** One important difference between the Australian and American higher education systems is that some American colleges and universities are concerned with students' characters, and not just their academic performance. Is this lack of concern with character—beyond academic cheating—a weakness in Australian universities?

**SS:** Yes. Way back in the distant millennia right from the beginnings of schooling to about the beginning of the 20th century, it was taken for granted that the purpose of education was to build character. The highpoint of many educational courses—the capstone—was moral philosophy or ethics. The whole idea was that universities were there to build character. Religious institutions took their cue from their sacraments; others from the local culture—the war was won on the playing fields of Eton view.

Gradually, because of the change to a secular society, we are no longer so certain what constitutes moral character. We've lost that. It still exists in some American private religious-based universities, and in some of the Oxbridge Colleges, for example. The capstone course on moral philosophy in private American universities, often taught by the university President, is considered the most important and prestigious course in the curriculum. It's not a course to indoctrinate students, but rather a course to give them the tools that allow them to consider moral questions and issues. In Australia, this has been completely neglected, with a much more vocational educational model. As a consequence, we can't really say that we are consciously trying to turn out better citizens, that we are consciously trying to turn out people who can think about a moral

question or apply the history of philosophical thought to that question. There is no moral centre to Australian higher education.

**AN:** How would you go about changing that, given where we are at now?

**SS:** I think my first step would be, and I don't think it is impractical, is to go a bit of the way to an American liberal arts model, and not allow specialisation at the very beginning of a university course. Almost every American university requires a broad first year, and sometimes a broad second year, where people are pushed into philosophy, history, music, literature as well as mathematics. Students get a broader view of science and arts and, in most places, Western thought. American universities don't seem to be ashamed of the Western philosophical and historical tradition. So I think you can move Australian universities in that direction by creating a more diverse first year. It will have a lot of good effects. It will provide needed student numbers in areas that students don't up for at the moment like mathematics, but at the same time we can say that we really do educate students, we don't just train them to be professionals.

**AN:** One of the difficulties Australian universities face now is the small amount of time they have with their students. There's not time to shape character because they are all off doing part-time jobs and are not on campus.

**SS:** And many of them are mature, and perhaps this formula won't work so well when you are already 30 or 35 and have had some life experience. But if we don't even talk about it, then there is no hope at all. A former Harvard President, Derek Bok, wrote a book, *Universities and the Future of America*, and one of his chapters is on moral character and ethics, and how you can do this in a secular university. He wrote not just about courses but the way the university operates. Do universities actually demonstrate moral character? Do they have a consistent philosophical and ethical view in the way they operate? If students cheat, are they treated appropriately or are they allowed to get away with it because the university needs the extra fee income? Do the academics meet their classes? Do they show up for student appointments? Can universities demonstrate

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the kinds of values they want the students to display? If not, you can't expect students to be any different. At Murdoch University I remember an academic at a union rally who wanted her fellow staff to go on strike but still claim to be working so that they would be paid. She was not an example of how to build moral character.

**AN:** You've stirred some controversy with your views on academic freedom. What do you think is the purpose of academic freedom and what are its limits?

**SS:** All freedoms have limits, even freedom of speech. For example, you can't defame people; you can't shout fire in a crowded movie theatre when there is no fire, and so on. To me the purpose of academic freedom is to allow unfettered inquiry, so that people can pursue heliocentric theories of how the planets move, or whatever they wish to pursue, in an atmosphere in which it is accepted that there will be different points of view.

Where I see the limits is where academic freedom begins to impact on the freedoms and rights of other people. Let's say we had an academic who was preaching genocide in the classroom. If universities have moral purposes, and one of those is respect for human life, should you allow an academic to preach genocide? The argument that's been given back to me is that you get someone else to preach the opposite view in another classroom. My own view is that Australian universities should not permit academics to preach genocide, but this would mean taking a moral stand when moral relativism remains the preferred mode of thought.

**AN:** What do you think of the quality of academics' public intellectual work?

**SS:** I think the quality of academic discourse in Australia is very different to the US or the UK. Australian discourse tends to be dominated by the stereotypical academic intellectual who lives in an old utopian socialist world that doesn't exist, and never has. There's not an equivalent loud conservative intellectual force in Australia, although it has been developing. I think CIS has been successful in bringing moderate and other views to the public domain. But CIS intellectuals are not all or even mainly academics. I think we suffer from not having a variety of viewpoints, unlike the US or UK.

**AN:** In your lecture on the legislated life, you say that according to most psychological theories what would really make people more happy is more freedom. Do the supporters of a 'legislated life' have a response in saying that people also want security?

**SS:** Of course, most people are risk averse. They want economic security, they want to know that they will be looked after when they are old, and they want to know that their health needs will be met. But there is more than one way to do these things. You can have a centrally controlled system that will provide health care, but it will provide it in a way in which people feel they have no choice—no ability to tailor it to particular needs, or you can have the Australian mixed system. In the countries that tried to use the government to meet all of their people's basic needs, there were huge rates of depression—the dour Danes and morose Swedes. Now we are seeing a similar phenomenon in the UK. We are seeing the numbers of people on anti-depressant medication climbing at an alarming rate, even though there's a state pension and a NHS that provides free healthcare for all. People want to feel secure, but they also want to feel that they are individuals, that they have some control over what happens to them and to their families. If you take away all of that, infantilise them, and make them dependent on some large state sector, I think you do make them depressed.

**AN:** So do you think the sheer extent of the welfare state now can have a depressing effect?

**SS:** Yes. I was impressed by Noel Pearson at the last CIS Consilium taking about the effects that the welfare state has had on his own people in north Queensland. He seemed to be saying that advocates of greater state welfare think they are doing the right thing, think that they are good-hearted and think they are doing Pearson's people a great favour. But what they are really doing is turning Pearson's people into dependents who have no feeling of empowerment or control, and the result of that is mental illness, and drug abuse—self-medication for depression. Security without autonomy leads to the loss of self-respect, degradation, crime and depression. Mental health requires feeling of autonomy and control.

**AN:** Thank you for your time.

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