

## 4 University leadership in the twenty-first century

### The case for Academic Caesarism

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All roads lead to Rome. At least so I shall argue with regard to the search for ideals for the future of higher education. Much has been written about how the university is being forced to redefine its place in society in light of developments largely originating outside its precincts and over which it has relatively little control. These developments fall under the category neatly labelled, ‘neo-liberal political economy of knowledge production’. In narratives where this phrase would provide an adequate title, if not plot summary, the university straddles two fates. At best the university is portrayed as a supple organism adaptive to a fluid environment. At worst it appears as a living fossil artificially maintained by a declining national support system. However, there is an alternative way to think about the university’s current predicament, one that draws more deeply from the university’s common legal ancestry with the state and the church. It involves the embodiment of the institution’s corporate personality in a style of academic leadership I call *Academic Caesarism*, a phrase designed to draw attention to both the promise and the peril of universities’ acquiring leaders who so strongly identify with their institution that they may feel they must protect its identity even from its own academic constituency.

#### **Seeing the university as a state: the Roman precedent**

The university is related to the state in an historically twofold fashion: on the one hand, both the university and the state (more exactly, the city-state) acquired their organisational autonomy under medieval Roman law in much the same way – that is, as instances of *universitas*, normally translated as ‘corporation’. Indeed, the ordinary use of ‘corporation’ to refer to universities and states (and guilds and churches) predates its use for business firms by at least five centuries. On the other hand, most actual universities in the modern era (outside the US) were founded as institutions of the state, designed to consolidate national identity by providing a crucible for forging the next generation of society’s leaders. In either case, the legal status of *universitas* implied that these corporate entities were ‘artificial persons’, whose autonomy consists in pursuing their own ends, as distinct from those of the particular individuals who constitute this artificial person at any given point. Aside from

a sense of self-direction, the university's corporate autonomy is also defined in terms of the self-selection of its members and the self-organisation of activities, including the provision of material support.

Not surprisingly, given this history, the legitimacy of both the state and the university have come under attack in these postmodern, neo-liberal times. The attacks are most directly felt in terms of the provision of material support, where both have been subject to a shrinkage in discretionary public sector funding. At a more conceptual level, the attacks on the legitimacy of the university and the state have also pursued a parallel course: postmodern attacks on the university's ability to represent and integrate knowledge resemble neo-liberal attacks on the state's ability to represent and integrate people. At the same time, many universities have adjusted to postmodernism and neo-liberalism by acquiring functions previously reserved to the state. A precedent for this tendency can be found in US universities, many of which – including most of the Ivy League – had been established as autonomous institutions prior to American national independence. While it is easy to dismiss the US experience as exceptional, in fact it serves as a reminder of the medieval origins of universities and states as legal siblings. In this respect, the US may provide clues on how universities may reassert their autonomy as state-like institutions.

The practical implications of universities acquiring state-like functions are epitomised in two phrases: *Academic Imperialism* and *Academic Caesarism*. The former refers to the tendency for universities to absorb the state's welfare functions, e.g. the provision and regulation of healthcare, education and perhaps even domestic security. The latter refers to a leadership style among university chief executives that resembles a dictator who extends his or her institutional authority while both protecting and limiting the power exerted by a group of potentially divisive constituencies. In what follows, I shall develop the concept of Academic Imperialism through that of Academic Caesarism, following the historic pattern of ancient Rome.

Like Athens in its classical period, republican Rome treated citizenship as the measure of equality in society. In particular, all citizens were equally invested in the republic's well-being, by virtue of having owned and managed property there for several generations. This created a presumption of roughly equal willingness and ability to take dictatorial powers, whenever there was a need for the republic to take action against a common enemy. Such states of emergency were assumed to be temporary, after which the dictator would resume his ordinary life as a citizen. However, as Rome expanded its borders, eventually to overseas colonies, the dictator's role metamorphosed from an office that, at least in principle, any citizen could hold to an office worthy only of people possessing special qualities required for the role's expanded scope. Thus, as the republic became an empire, the dictator became a Caesar.

A similar trajectory can be charted in the history of the university, whose republican phase corresponds to institutional governance on a collegial basis. Here the leader would be expected to have come up the academic ranks in the same or a comparable institution. Indeed, Oxbridge and the

US Ivy League often seem to operate with a default policy of hiring their own graduates. It is easy nowadays to dismiss this practice as simply so much academic snobbery, if not outright nepotism. However, the practice harks back to the university's legal status as an artificial person, where intellectual lineage acquires the role of biological lineage in natural persons. Thus, each new university matriculant is portrayed as born anew – hence, the university's personification as *alma mater*, 'nurturing mother'. In this respect, the university's entrance examinations and degree certifications as comparable to baptism and holy orders, respectively, as initiation rites in the church, another of the university's institutional siblings. Both sets of rites require that individuals undergo a trial of faith, the successful outcome of which is the acquisition of a new identity as part of the larger corporate structure.

And just as Rome's self-understanding underwent a gradual transformation from republic to empire – bracketed by the careers of Julius and Augustus Caesar – so too has the university's. The university's imperial phase began when the institution diversified its functions to such an extent that satisfying the interests of its official 'citizenry' (that is, academics on the payroll and perhaps enrolled students) constituted only part of the task of maintaining the institution's autonomy. I allude here to the university's proto-state activities, ranging from economic pump-priming through the provision of welfare, both typically at the local regional level, to more client-centred delivery of skills, products and services. In this context, the university's stakeholders expand to approximate the range that would normally have an interest in the decisions taken by a state assembly. Some universities – including the US land-grant colleges and the universities created under European imperial rule – were specifically chartered in anticipation of their expanded capacity. They are not unreasonably seen as governing in lieu of the state, in terms that both universities and states have found more or less mutually satisfying. Where the states saw the universities as organising regions and recruiting leaders, the universities saw the states as licensing the extension of their research activities. Not surprisingly, with the decline of both state power in the first world and imperial power in the third world, universities created in this imperial mode have acquired still more state-like functions, sometimes even serving as *de facto* alternative governments.

Some universities, including Oxbridge and the US Ivy League, have drawn out the transition from republic to empire in their self-understanding – though not their actual functions – as long as possible. They have perpetuated the image that the university's chief executive is really a *primus inter pares*, even though his or her decisions extend way beyond what those who normally roam the campus might see as being in their own interests. Not surprisingly, serious cracks increasingly appear in the image.

A case in point is the ongoing controversy surrounding John Hood, Oxford's first vice-chancellor to have been chosen from outside its own academic faculties in the university's 900-year history. He was appointed to reorganise the university's corporate structure, specifically by separating and streamlining the academic and financial functions – in both cases, shifting

power from the colleges to the departments and central administration, as per most modern universities. The speed with which he has tried to transform Oxford's time-honoured traditions easily gives the impression of self-aggrandisement. And while Hood's initiatives have suffered some notable setbacks, nevertheless they enjoy the support of roughly 40 per cent of the academic staff and most of those outside the staff, including students and alumni, who constitute the greater Oxford community.

Perhaps an even clearer case of the difficulties facing universities as they shift from republican to imperial mode is captured in the saga of Larry Summers, whose tenure as Harvard President came to an ignominious end in 2006. Unlike Hood, a New Zealander who was parachuted into Oxford thirty years after he last appeared on campus as a first-class cricketer for the university team, Summers had been one of the youngest tenured professors at Harvard, a recipient of the main professional award for economists under the age of 40. A lifelong Democrat, Summers was appointed chief economist at the World Bank and then Secretary of the Treasury in rapid succession when Bill Clinton was US President. However, once the Republican George W. Bush became president, Summers returned to Harvard, this time as its president. By all accounts, his management style was to dictate without consultation, presuming that as himself a 'Harvard man' there was no need to solicit opinion more widely. On his own, then, Summers continued Harvard's international outreach and development programmes, while stressing the university's traditional emphasis on a broad undergraduate liberal education to which its distinguished faculty were expected to contribute regularly and responsibly.

These policies made Summers very popular with students and alumni, who increased their financial support to this richest of universities. But they also earned him the enmity of tenured academics, who were less appreciative of Harvard's global meddling and, in any case, had become accustomed to offloading their teaching to untenured staff members and graduate students. However, the tipping point against Summers came when he openly asserted that evolutionary psychologists might be correct about the genetic basis for women's inferior scientific performance. This provided a rhetorical pretext for the faculty to declare that they could not work under someone with such odious views based on such an unproven area of science. As it turns out, Summers' permanent successor, Drew Gilpin Faust, is not only the first woman but also, and more remarkably, the first non-Harvard-trained person to become its president. (Harvard, America's oldest university, was founded in 1636.) However, she comes to the job having run the university's institute for advanced studies.

These vignettes of less-than-best practice, combined with the more general historical and theoretical considerations about Caesarism as a mode of governance, suggest the following defining features of a successful Academic Caesar (AC):

- 1 The AC, while perhaps not currently a practising academic, should be sufficiently connected to academic culture to be able to easily articulate the university's goals in ways that practising academics can recognise as reflective of their own values and aspirations.
- 2 When the AC's actions elicit opposition from the university's constituencies, s/he can deftly distinguish the values and ideals upheld by his/her institution from the various interests of those constituencies, including current academic staff. The AC has a very clear sense of the difference between institutional autonomy and individual (or group) selfishness – and can turn that difference to his/her advantage. Thus, the AC may be inclined to take a strong stand against the establishment of academic fiefdoms while strongly defending the academic freedom of an unpopular colleague.
- 3 Since even universally endorsed academic values can be – and have been – taken in multiple contradictory or incommensurable directions, the AC can gain and maintain power simply by upholding this plurality, thereby preventing any particular interpretation of those values from becoming dominant. Thus, the AC's hand is naturally strengthened vis-à-vis particular constituencies by expanding their number, not least through 'affirmative action'.
- 4 However, the AC must also maintain a clear distinction between the university's 'internal' and 'external' constituencies – say, on the one hand, academic staff, students and alumni, and on the other, representatives of politics, business, etc. This is how a university in the imperial mode retains its republican core, and the AC can legitimise his/her exercise of power in terms of the protection of institutional autonomy.
- 5 The AC must prevent external constituencies from unduly influencing the governance of the internal constituencies, say, by allowing a large client-oriented grant to an academic department to set a standard to which other departments are then held accountable. Rather, the AC should see such grants as, in the first instance, upsetting the institution's equilibrium, which of course need not be negative. However, the AC must then use grant overheads creatively to engage in compensation or redistribution across the institution.

In the rest of the chapter, I explore this last feature of Academic Caesarism by elaborating its underlying political economy, which envisages the university as part church and part casino, possessing what I call in the next section 'a Vatican face and a Vegas heart'. In short, the successful Academic Caesar upholds his/her institution's autonomy by securing and expanding the material base that can sustain the most intellectual adventure possible within its borders. On the one hand, this feat requires an imaginative forward-looking macro-economic strategy, which is detailed in the next section. On the other hand, it also calls on the Academic Caesar to make the university less directly sensitive to market pressures by reasserting the distinctiveness of its knowledge as a second-order, or public, good, in terms of which other

forms of private and first-order knowledge may be evaluated and regulated. This topic, which I regard as the Academic Caesar's 'ultimate weapon' is discussed in the final section.

### **A Vatican face with a Vegas heart: the Academic Caesar's political economy**

The US sociologist Craig Calhoun has recently challenged higher education thinkers, practitioners and researchers to come up with a business plan for today's university that demonstrates that only by adhering to classical academic norms can it effectively serve the social and economic ends increasingly demanded of the institution. My proposal to meet this challenge is meant to be fit for an Academic Caesar. It starts from the counter-intuitive assumption that whatever model of political economy is used to rationalise the university, it should *not* be based on modern industry's fixation on 'productivity', that is, the efficient translation of labour and capital into goods and services. Although the rhetoric surrounding the 'entrepreneurial university', not to mention the pervasive and casual use of the phrase 'knowledge production', appears indebted to this model, the resemblance is superficial – a conflation of (undoubted) *increased production* and (doubtful) *increased productivity*. But while our speech may be confused, our actions are loud and clear: the main academic performance indicators are based not on productivity but on sheer production – of students (enrolled, graduated, or employed), research (funded, published, patented, or cited), income (received or generated), etc. By these standards, the United States is the world's sole academic superpower and its undisputed capital is Harvard.

But is the US the most *productive* academic nation-state? This is a sensitive matter in the United Kingdom, where higher education has been repeatedly congratulated for doing more with fewer resources. For the last quarter-century, the UK has been arguably the most productive academic nation on Earth. For example, the combined endowment and annual income of Harvard is seven times that of Oxford and Cambridge combined. Is Harvard *seven* times better than Oxbridge? Maybe two or three times, but surely not seven! Perhaps unsurprisingly, as an American who has now lived in the UK for a dozen years, my knee-jerk response upon returning to a US campus is to observe the plush resources that go wasted or underutilised by tenured academics who quaintly fuss over the content of their courses as preludes to research they might conduct someday. The US is the world's largest academic producer by virtue of being its most conspicuous consumer.

I call my response 'knee-jerk' so as not to belittle the American norm, which, despite many local challenges, remains reasonably robust. On the contrary, the success of US-style conspicuous consumption in academia reveals an important, albeit complex, truth: that universities are institutions that produce with impunity. Classical ways of thinking about this phenomenon usually include the image of following the trail of truth wherever it may lead. This image is taken from the bygone era of what Derek de Solla Price called

'little science', where the main resources were one's own time, energy, and money – not great amounts of equipment, manpower, and other people's money. The image is continuous with the political economy implicit in Aristotle's injunction to turn to 'philosophy' (a proxy for any systematic intellectual inquiry) only once the household chores were done. To recall a point Marxists used to relish, Aristotle treated philosophy as quite literally a kind of mental gymnastics that was not expected, any more than competitive sports, to feed back into the relief of humanity's secular burdens. Rather, it was the consummate leisured activity, one devoted to contemplating how and why the world is as it is.

This attitude has persisted in the West well into the modern era, even as it came into conflict with Muslim, Christian, and ultimately Enlightenment ideologies of knowledge as a collective legacy and universal entitlement for the betterment of humanity, indeed, perhaps to create 'a Heaven on Earth'. In *The Decline and Fall of the Roman Empire*, Edward Gibbon may have demonised Caliph Omar as philistine for casting all of ancient wisdom to the flames when he torched the Library of Alexandria in 640 AD, yet similar feelings of contempt were expressed by his own contemporaries – including such Enlightenment icons as Hume and Smith, Voltaire and Diderot – towards the 'useless' knowledge then amassed in European universities. The existence of tomes produced in the name of 'curiosity', written in languages few could understand and to which even fewer would have access, manifested the intellectual equivalent of greed, a mortal sin for the faithful and idle capital for everyone else.

Embarrassingly good economic sense informs this philistine contempt. The most efficient means for a state to improve its citizenry's stock of human capital for purposes of increasing overall national wealth is to invest in primary and secondary education, even at the expense of higher education and original research. And if the state must invest in university teaching and research at all, the national interest is best served by an investment strategy that encourages free access between academics and those capable of turning their ideas into marketable products.

There are lessons here for both third and first world countries, which business schools now dispense in the name of 'knowledge management': no number of showcase research institutes can compensate for mass deficiencies in basic literacy and numeracy, and no number of registered patents can replace direct involvement in industrial research and development. It is clear, then, that a budget-conscious state keen on making its mark in the world's increasingly knowledge-based economy would adopt a two-pronged strategy toward higher education.

First, the state would redistribute education funding from the tertiary to the primary and secondary levels, so that people can acquire the requisite competitive skills as early as possible, thereby assuring quick and decisive entry into a globalised labour market. This strategy would help to counteract 'credentials creep', the need for each new generation of students to spend more time in formal schooling to acquire comparable qualifications. While

it follows that fewer people would initially require university training (or if so, for a shorter period), the innovation-induced volatility of the global knowledge economy ensures that whatever financial losses universities incur in the short term will be recovered later through recidivism – a.k.a. ‘lifelong learning’ – whereby late-breaking skills are acquired by those not lucky enough to have been originally exposed to them. In this respect, ambient incentives to generate innovation are like temptations to commit crime or susceptibilities to suffer illness: that is, persuasive justifications for the public funding of what Erving Goffman called ‘total institutions’. Universities can thus position themselves in the market next to prisons and hospitals as ‘social equilibrium providers’.

The second prong of the state’s strategy would be to maintain the porosity of the boundary dividing academia from industry and the private sector more generally. This would probably lead to a widening of the variance in academic salaries, perhaps decoupling them from academic rank altogether. Universities could adopt the British practice of justifying further public expenditure by pointing out the diminishing burden they place on taxpayers to fund their activities, as academics accumulate grants, patents, consultancies, and so forth. In the long term, universities might even renounce their non-profit legal status, assuming they could persuade their trustees and perhaps alumni to think of themselves as corporate shareholders – and academics to think of themselves as employees.

However, I reject the premise that universities should be seen primarily as suppliers of capital – both human (in education) and non-human (in research) – for the global knowledge economy. This is not because they should stand above – or outside – economic considerations. Rather, universities should lead rather than follow. Combining the insights of Wilhelm von Humboldt, the architect of the Enlightenment model of the university as a state function, and Joseph Schumpeter, the theorist of entrepreneurship, I have elsewhere defined the unique corporate function of the university as the ‘creative destruction of social capital’. By this phrase I mean to update the dynamic unity that Humboldt held to exist between education and research, but now seen as alternating phases of an endless cycle. Humboldt’s innovation was to turn the university into an engine of social progress – specifically, progress of the ‘nation’, the spirit of which state policy tries to embody, however imperfectly. Schumpeter, writing over a century later, recognised that the universities have been the most reliable, and sometimes effective, source of anti-establishment thought.

Research initially generates social capital by forging new alliances between ideas, people, processes, and things. However, a university dedicated purely, or even primarily, to research would simply polarise the populace between, so to speak, the ‘knows’ and the ‘know-nots’, a kind of epistemological feudalism. But luckily, here the teaching function enters to level this emergent difference by spreading the fruits of research as widely as possible. Significantly, students are often far from the original networks responsible for the research in which they are being instructed, but their appreciation is vital for its continued

social support and, more importantly, for taking the research in unexpected directions. This, in turn, will forge new alliances and redistribute competitive advantage across society.

It follows that the soul of the university as the creative destroyer of social capital resides in curriculum committees empowered with deciding which aspects of new research are worth incorporating into, say, a discipline-based major or a general liberal arts requirement. In this respect, the ‘canon wars’ now simmering on US campuses for the last quarter-century merely bring a level of self-consciousness and media attention to a process that has been endemic to the modern history of the university. The only difference now is that possibly the amount and rate of replacement of course content is greater than in the past. If true, this might be a reflection of the enlarged and diversified student body of recent years, the composition of which can more easily conjure up the idea that society’s future should be significantly different from its past.

There is a model for this ever expanding and forward-looking vision of the university. It is the oldest legally incorporated private sector entity, the self-supporting church, out of which the original universities evolved in the twelfth century. The economic side of proselytism is that church finances typically flow ‘forward’ not ‘backward’. Rather than requiring potential converts to pay upfront to join a church before they have received any benefits (however defined), those whose lives have been already transformed by their membership in a community of faith donate some percentage of their subsequent income to allow others to share in the same fellowship. This attitude toward universities is uniquely anchored in the United States because of the nation’s origins in British religious dissenters. Consequently, by any world standard, even officially state-funded universities enjoy enviable alumni contributions that enable them to retain a large measure of their institutional autonomy, even in the face of external economic and political pressures.

Two features of this autonomy are worth highlighting: the university’s discretion to select a considerable number of students who cannot pay anything near full tuition costs and to permit a considerable number of faculty members to survive on relatively low research productivity. Ideally, such students will turn out to be generous alumni, and such faculty inspiring teachers. Of course, the ideal is not always realised. Nevertheless, generous alumni tend to invoke inspiring teachers – not the acquisition of job-related skills – as motivating their endowments. Moreover, such alumni will not necessarily have been promising students, nor the teachers especially productive researchers. This suggests to me that at least some, if not most, American universities have designed a successful long-term financial strategy based on ‘spirit’ rather than ‘matter’. They are valued for what their long-term employees, the faculty, value.

The relative ease with which Americans have been able to apply the financial model of the church to the university is what I mean by the ‘Vatican face’ of the university in the title of this piece. The charge of Humboldt and other state officials has been to try to recreate that sentiment in the public sector,

where it is more natural to think of education, like health, as a 'service' whose value rests on how well it enables people to cope with life-chances for which the state is ultimately held responsible. Expressed in most general terms, the practical problem is how to justify a financial regime for universities that does not cause the people funding them to expect most of the benefits to accrue close to the point of service delivery. My solution is what I call the 'Vegas heart' of the university, to which the rest of this chapter is devoted. Its financial plan is modelled on that of a casino – that is, dedicated to the encouragement of risk-taking.

Evidence for the university's Vegas heart appears initially as budgetary cross-subsidisation. This is the time-honoured practice of taking from the rich and giving to the poor academic departments. In the extreme case, the profits generated by the medical school may underwrite philosophy classes with three students. That universities successfully impose overhead costs on external funders partly reflects the legitimacy generally accorded to such cross-subsidisation. A university is not simply a marketplace where the various disciplines set up their stalls, but a corporate entity expressly dedicated to the maintenance of all forms of systematic inquiry. Lest we be sentimental, this show of intellectual integrity amounts to a strategy for pooling risk. The underlying economic rationale is that, lacking any long-term correlation between funding research and producing significant knowledge, it is wisest for those lucky enough to have struck rich to underwrite those unlucky enough to have struck poor. After all, fortunes are likely to be, if not reversed, at least levelled, in the future – say, once other medical schools acquire the knowledge that accorded the innovator an initial advantage.

But the Vegas heart of academia is, perhaps unwittingly, shared by society at large. Because universities today are expected to provide skills directly relevant to the increasing number of people who are destined for, in twentieth-century parlance, 'white collar' jobs, it is often forgotten that the state has traditionally regarded universities as public-spirited casinos in which citizens are forced to gamble some proportion of their wealth via tax payments. Until a half- to a quarter-century ago, the vast majority of people whose taxes funded universities had to tell a rather complicated story to justify the investment. Perhaps a relative or friend used academic achievement as a vehicle for personal advancement and upward class mobility. But more likely a complete stranger advanced knowledge in a way that benefited everyone, say, by curing a common disease or expanding our understanding of reality. When such singular 'Einstein' moments occur, people appear willing to excuse all their previous tax expenditure that subsidised the education of people who, for whatever reason, had squandered their opportunity.

This attitude is quite rational under certain economic conditions. The most obvious one is that the investors can benefit as freely as possible from the intellectual windfall. While it took Albert Einstein to come up with the theory of relativity, any of a number of people could have arrived at the theory under the right circumstances, and there was no prior reason to believe that Albert would be that person. To be sure, it might have happened somewhat

earlier or later than it did. But if we truly believe that Einstein made a lasting contribution to knowledge (perhaps because he hit upon something deep about the nature of reality), not that he was riding the wave of the latest intellectual fad, then this is how those who subsidised his education should respond. Einstein received his reward upfront as an incentive for him to do something to merit the investment in him, as one of a number of academically trained people. Had Einstein failed to produce the goods, he would not have been penalised, but equally his success does not warrant his receiving *additional* financial benefit. The financial gamble on Einstein was taken not by Einstein himself but the society forced to bet on him (and others) through their taxes because he passed some state-sanctioned academic examinations. Einstein's success is simply grounds for society to continue trusting the state's investment of its taxes, at least in higher education.

Intellectual property law generally accepts that Einstein does not deserve additional remuneration – but for the wrong reasons. Thus, Einstein is not entitled to a patent for the theory of relativity, but lawyers say this is because his intellectual work consisted in discovering laws of nature that did not require human effort for their existence and over which no human could thereby exercise ownership. The legal justification harks back to a theologised version of the labour theory of value, whereby human discoveries are essentially acts of copying God's inventions. However, the Vegas heart of the university implies a critique that recalls the most probing examination of the labour theory of value as defended

The author was Eugen von Böhm-Bawerk, the late nineteenth-century Austrian finance minister and Joseph Schumpeter's economics teacher at the University of Vienna. He argued that workers did not deserve a share in the profits gained from their labours because they had been already paid in wages for work whose market value had yet to be determined. Part of the risk that an entrepreneur undertakes is the employment of labour to produce things that perhaps no one will buy. Workers rightly demand fair wages regardless of consumer fickleness. In this respect, Böhm-Bawerk took the labour theory of value more literally than Marx, who, like his Christian predecessors (but unlike Böhm-Bawerk), did not believe that the labour market was a natural guarantor of fair wages. But by the same token, workers are not entitled to additional payment if the products happen to sell. That would turn the entrepreneur's calculated risk into a sure loss, thereby creating a disincentive to industry.

The lesson for universities is clear: the state ministry, board of trustees, or senior academic administrators should behave like corporate entrepreneurs who adopt a liberal attitude toward investment but a conservative attitude toward returns. This entails protecting students and staff even when their returns as investments are poor without extravagantly rewarding them when they are good. Thus, student fees and stipends across disciplines should not be excessively influenced by graduates' anticipated incomes, and similarly faculty salaries should not mimic the spread in the demand for different types of knowledge. In short, university finances should not be tightly bound

to fluctuating market indicators. After all, the market advantage currently enjoyed by a form of knowledge is bound to erode over time as it comes to be more widely possessed and eventually absorbed into the infrastructure of civilised society. In fact, the university encourages this very erosion as part of the creative destruction of social capital that constitutes the institution's Vatican face.

If a university aims to maintain the lifelong activity of intelligent but fallible beings – a natural rendering of tenured academic appointments – then quickly spotted truth always has the potential to cost the institution more in the long term than belatedly discovered error. This is due to the temptation for academic innovators to become what economists deride as 'rent-seekers' – people who discourage subsequent development or application of their original insights by making the entry costs too high for new innovators. To be sure, the ordinary institutionalisation of academic disciplines encourages rent-seeking, thereby amplifying 'path-dependency' in the growth of knowledge. For example, what Thomas Kuhn notoriously called a 'paradigm' is simply the conversion of an innovator's conceptual framework into an authorised blueprint for further research in a field that could have been – and probably still could be – addressed from a radically different conceptual framework. That paradigms are so marked in intellectual work reflects the halo effect that easily accompanies the initial generation of a few striking research results.

However, again taking the long view of the intellectual speculator, fetishising priority in research caters to the superstition that the first route into a new field is the only or best route. Of course, if enough people pay long enough lip service to this superstition, it can turn into a self-fulfilling prophecy, at which point it becomes honoured as a 'research tradition' dominated by rituals of pilgrimage and patronage that are very hard to avoid or escape. Thus, a postdoctoral fellowship at the right lab or a letter from the right professor can be the make-or-break moment in a fledgling academic's career.

In 'natural markets,' this problem does not arise because the notable success of a new product signals to would-be entrepreneurs the prospect of more efficient means of reaching the same, related, or better ends. Novelty serves as an incentive for creative destruction. To be sure, the legal history of capitalism has increasingly put the brakes on this tendency through the extension of intellectual property rights. But this much decried use of the law to restrict free trade merely follows the lead of academics who mark, if not outright create, their turf by spontaneously generating trademark jargons and tariffs of technique, obeisance to which is paid in the 'literature reviews' and 'citation counts' of journal articles.

The university's role here should be to counteract academics' propensities to pump needless ontological gas into the words and practices they happened to have found useful in advancing the course of inquiry. Conjuring up the law's historic role as the nemesis of monopoly capitalism, we might say that the university functions here as an 'epistemic trust-buster'. There are two general ways of thinking about this function, both of which are designed

to counteract specifically discipline-based assessment bodies (i.e. public and private professional accrediting agencies) that exist independently of the universities, but whose members they are deemed qualified to judge. Incentives need to be offered, on the one hand, for academics to translate their research into teaching; and on the other, to vacate their field of research in favour of another. Of course, there are no guarantees that these institutionally induced career shifts will lead to new insights. But that is part of the exhilaration of being a member of the ‘creative class’: it is less a matter whether you win or lose than enjoying an opportunity to play a game of potentially major social significance.

### **Ensuring institutional autonomy in an expanding market environment: the ultimate weapon in the Academic Caesar’s arsenal**

The historically surest strategy for universities to maintain their autonomy in a relatively unregulated knowledge market has been to shift from producing knowledge as a first-order to a second-order good. ‘Autonomy’ in this context implies an ability to turn the market to one’s own advantage, so that rival knowledge producers are forced to compete on one’s preferred turf. This is another way to look at Joseph Schumpeter’s original definition of entrepreneurship as the ‘creative destruction’ of markets: Henry Ford was Schumpeter’s exemplary entrepreneur because he reconfigured the transport market so that his own product, the automobile, set the standard that rivals had to then meet or surpass. Not only today, but throughout their history, universities have periodically had to ‘creatively destroy’ knowledge markets in order to overcome challenges to their prime position as authoritative knowledge producers.

At first, the relevance of the Schumpeterian entrepreneur to today’s Academic Caesars may not seem so clear. After all, Ford actually produced a first-order innovation on the basis of which he generated a new market standard, which then became the second-order innovation. But on closer inspection, universities prove not to be so different. Take the matter of accrediting primary and secondary schools, both in terms of courses taught and people licensed to teach them. Although universities do not exert much control over day-to-day school practices, nevertheless they have played a major role in defining the foundations and even the logic of instruction of the various taught subjects, which to a large extent mirror those taught in universities. (In the UK, geography is one of the few subjects whose place in the school curriculum was *not* due to university-based initiatives.) Indeed, the proportion of high school graduates who qualify for university is routinely treated as the gold standard of school performance.

Today this last point seems perfectly reasonable, especially given the increasing percentage of each student cohort attending university. However, a quarter-century ago, when at most a quarter of students outside the US attended university, the career trajectories of high school graduates and

academic degree holders were much more distinct. Yet even then universities were setting the standard of school performance. In this context, the relevant first-order goods manufactured by universities have been discipline-based textbooks, simplified versions of which continue to make their way into high school classes, with the overall effect of standardising how teachers communicate their subject areas.

To be sure, if the expectation of university attendance by high school graduates continues, then Academic Caesars may be compelled to cultivate a less condescending attitude toward secondary and even primary schools when defining the knowledge content of taught subject areas. In particular, schoolteachers tend to be more sensitive to non-academic – notably ethnic- and religious-based – sources of epistemic authority that students bring from their local environments. In the past, state enforcement of secular education was specifically designed to counter such potential obstacles to national solidarity. Indeed, the disciplinary identity of sociology in the early twentieth century, especially in France and the US, was tied to this project of harmonising epistemic standards across the entire education system, a.k.a. education as a melting pot. However, as universities lose the state's unconditional political and economic support, they will need to negotiate anew their relationship to the local knowledges that are most naturally given voice at the school level.

While the struggle between universities and schools over what knowledge is worth teaching is bound to intensify in the coming years, at least the contesting parties share a common understanding of knowledge as a second-order good, namely, a potentially universal standard of thought and conduct. However, a much more serious threat to university autonomy is posed by knowledge managers who call into the question the very existence of knowledge as a second-order good, over which universities might lay *prima facie* claim.

To appreciate the nature of this threat, we need to keep in mind that currently popular phrases for our times as 'knowledge society' and 'knowledge economy' mainly refer to the opening up of the market to non-traditional manufacturers of knowledge goods, the overall effect of which is designed to diversify the knowledge market, forcing universities not only to spread their resources more thinly but also to confront the sorts of internal tensions that an Academic Caesar normally sublimates. In contrast, institutes devoted purely to research, such as corporate laboratories in the past and today's science parks, operate with fewer encumbrances than universities in need of maintaining a delicate balance between several constituencies: research peers at other universities, campus colleagues from other disciplines, as well as the university's own dedicated review boards to matters of ethics and finance. Similarly, a training centre with reliable access to relevant employers can function more efficiently – at least from the standpoint of student *qua* consumer – than degree programmes that subordinate job training to a systematic presentation of the body of knowledge represented by an academic discipline. Under the circumstances, it is easy to draw the knowledge manager's conclusion that the university has become an obsolete organisation that tries

to do too many things at once and hence does them all suboptimally. Thus, the university's longevity comes to be used against its future prospects: The institution has simply become entrenched in its old ways, which renders it incapable of adapting to today's changing market environment. The obvious solution, then, would be to disaggregate the university's functions into organisations focused primarily on either the research or teaching markets.

However, as I have suggested, the knowledge manager's solution is not the main historic strategy that universities have used to reinvent themselves and thereby reassert their autonomy. The successful strategy first became clear in the mid-nineteenth century when Oxford and Cambridge, which were already over 600 years old, had yet even to house scientific laboratories on their grounds, even though major industrial innovation was increasingly tied to research conducted in such facilities and, in any case, had already occurred in factory settings for at least a century. While Oxbridge of course eventually permitted labs to be constructed on their grounds, their principal response to this challenge was inspired by the man who coined the word 'scientist' in English, William Whewell, Master of Trinity College Cambridge, who is nowadays seen as the founder of the historical and philosophical study of science.

Whewell proposed something that we now take for granted: namely, that inventions may emerge in all sorts of non-academic settings but only academics can determine whether these inventions are anything more than lucky accidents. This is because academics – unlike inventors – are devoted to making sure that all of what we know hangs together as a systematic unity, something regularly performed in the curriculum as new knowledge is integrated into existing conceptual frameworks to inform the next generation. In that case, for any invention, the academic wants to know why it works when it does, and especially when it does not work, which in turn provides grounds for improvement – ideally in the disciplined setting of a university laboratory. In this context, Oxbridge could convert its perceived liabilities into virtues: namely, its ideological basis in Anglican theology and its material basis in property ownership. Together they provided grounds sufficiently removed from the mental and physical spaces of industrial innovation to make Oxbridge appear honest brokers of knowledge claims emanating from those sites. Moreover, in positioning Oxbridge as gatekeepers in the otherwise free flow of inventions, Whewell had no intention of stifling that flow. On the contrary, the more disparate the sources of innovation, the more obvious becomes the need to establish common standards for discriminating reliable from unreliable inventions along a variety of dimensions that included not only their theoretical bases – issues that might also concern the government patent office – but also the potential financial and health risks they posed to adopters of the innovations.

It is easy nowadays to overlook the centrality of universities in the institutionalisation of standards of empirical reliability, a.k.a. quality control, in the manufacture and circulation of knowledge products. This development, which explains the strong presence of academics in government regulatory

agencies in the twentieth century, was at first strongly resisted in legal and business circles as being against the spirit of a liberal society, in which people should be free to assume their own risks. This strong market sensibility supposed that as long as information about the consequences of adopting an innovation was widely disseminated, anyone capable of participating in public life was mentally equipped to decide for themselves if they should adopt, extend or simply avoid or ignore the innovation. From this standpoint, the idea that universities should normatively mediate society's knowledge flow appeared to be a thinly veiled attempt to reinvent a modern version of clerical oversight on secular affairs. Instead of the Church sanctifying the King's acts, the university lab would now do something similar for politics and business. For classical liberals suspicious of any barriers to free trade, demands that new products pass tests of 'validity' and 'reliability' constructed in academic settings prior to market exposure smacked of what economists call 'rent-seeking', that is, a cost tied exclusively to the ownership, rather than the productive use, of capital – in this case, cultural capital.

So, then, why did the universities manage to retain their market advantage by providing the sort of second-order knowledge goods associated with quality control standards? A theme that emerges from the above account is that universities systematically counter society's centrifugal tendencies with their own centripetal ones. In other words, as society's capacity to alter its knowledge base increases, the threat of fragmentation – indeed, the loss of society's collective memory – also increases. Imagine the character of knowledge in today's society, if our proverbial knowledge manager got his way and the university's functions were disaggregated to teaching-only and research-only organisations. The former would be exclusively oriented toward the labour market, namely, the efficient provision of job-related skills. The latter would be exclusively oriented to a variety of clients for whom new knowledge can increase the value of their goods. The one sort of activity would embed knowledge in people and the other in products, but over time it would be difficult to see what qualifies both activities as oriented towards 'knowledge' *per se*. At that point, knowledge would have become segmented into two discrete markets, one for techniques and another for technologies. The idea of knowledge as the unifying and universalising mode of inquiry epitomised in Max Weber's resonant phrase, 'science as a vocation', would have disappeared. So too would society's sense of self-consciousness. It is rescue from this 'postmodern' condition that ultimately justifies the existence of the Academic Caesar.

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