

Exploring the Possible Consequences of External Fund Development on  
University Autonomy and Academic Freedom

Sehzad M. Sooklall

Louisiana State University

## **Exploring the Possible Consequences of External Fund Development on University Autonomy and Academic Freedom**

One of the strongest pillars of a participative democracy is public education, an institution endowed with the responsibility of cultivating an informed and knowledgeable populace for a nation. Higher education, in particular, has become a chief servant in that role of not just creating scholars but also feeding society with critical thinkers and questioners of public policies. However, despite the importance of this institutional function to our democracy, governments are increasingly cutting funding for public universities around the country, forcing the latter to look for private financial support, which could end up compromising their institutional autonomy and academic freedom.

Prior to exploring the plausible effects of private funding on public university autonomy, one must first fully understand the three concepts at the heart of this paper: fund development, institutional autonomy and academic freedom. Karnes, Stephens, and Samel (1999) described fund development as the process of securing private financial support through annual giving, capital campaigns, endowments, and planned giving. Such campaigns can significantly empower state universities to accommodate for the fluctuations in government funding. Private funding often comes with fewer restrictions and can be used for a wide variety of university activity and operations. Allen (as cited in Karnes et al., 1999) stated that private funds are often used to support endowed chairs and scholarships, graduate assistantships, research, special projects, tuition waivers, specialized programs, lecture series, and conferences. Therefore, in the current fiscal landscape, without private support, public universities would barely be able to stay afloat and perform their essential societal functions.

While necessary, private support may also come with a hefty price tag if not carefully structured. Strict stipulations must be instituted to ensure that such support does not compromise university autonomy and academic freedom. This autonomy is necessary in the accomplishment of university roles, which is to be responsible and responsive to society needs rather than those of the private sector (Snyder, 2002). Universities are entrusted with the responsibility to meet long-term societal needs while at the same time, they also have to be responsive to current demands as well. These two goals cannot be met unless there is a high level of autonomy, which is the essential ingredient assuring effective self-government, professional integrity, and intellectual objectivity.

In addition to objective self-government, autonomy is also needed if higher education is to perform its role as an “enduring and credible vehicle for social criticism” (Snyder, 2002, para. 8). This role, which is vital in our democratic process, requires both perspective and independence and therefore necessitates a high level of autonomy. In practice, self-governance at the institutional level is often referred to under the umbrella term of university autonomy, but in order for universities to be completely independent, this autonomy has to transfer down to the professoriate. Therefore, for the institution to perform its societal functions, the faculty also needs to be equipped with that same level of independence and intellectual freedom in regards to teaching, expression, research and debate, referred herein as academic freedom.

But in actuality, how plausible is it that faculty members are totally sheltered from the outside world and totally independent in their thought processes? Such a definition of academic freedom would be immature. Ashford (1983) refers to a more modern definition that does not isolate the professoriate from the outside world and actually incorporates the natural interplay between the university and the greater society. Hence, there is no such thing as total academic

freedom, whereby intellectual inquiry is sought solely out of pure faculty curiosity – it usually is also responding to and serving a public need.

In résumé, one can break down these core principles into two: autonomy refers to the independence of the institution and academic freedom refers to the independence of the faculty. And for the purpose of this paper, the modern definition espoused by Ashford will be helpful in bringing full clarity to the subject matter. Distinction is made between the classic definition of academic freedom and the modern one, which extends faculty activity beyond pure intellectual curiosity and actually embraces the concept of such academic activity meeting and serving societal needs.

After elaborating on the three key concepts of this paper (fund development, institutional autonomy and academic freedom), the author will investigate whether there is a relationship between the two main actors – does external fund development affect university autonomy and academic freedom? The answer is inevitably yes simply based on the modern definition of academic freedom. However, prior reaching any conclusions, both sides of the argument will be thoroughly analyzed.

While external fund development has become a reality at university campuses around the country, still there are many who believe that the sanctity and impartiality of state institutions should be preserved at all costs. Opponents are always the first to point out salary compositions of university presidents as a main justification for an implied conflict of interest, which they claim inevitably results in a breach in institutional autonomy.

In an extensive survey of salary compositions of different presidents at campuses around the country, Basinger (2001) found that about a third of the presidents received supplemental income from private sources, and in some instances, private funding even accounted for more

than 85 percent of their total compensation. Basinger (2001) also elaborated on the fact that private supplements sometimes come from chairs endowed by donors who are major corporation leaders, and that in itself can result in a conflict of interest as it increases the clout of these donors because they arguably paid for added access. Based on this research, it would be reasonable to assume that university autonomy would be indeed compromised if public university presidents' salaries are being so heavily subsidized from outside sources.

Further research in the area corroborates the above findings. In his study on university governance, Waugh (2003) claimed that university presidents are becoming increasingly more aligned to the managerial side of administration rather than to the academic side. He explained that such a trend is the result of institutionalization, professionalization and bureaucratization. Because university boards and public officials are more and more calling for greater efficiency and accountability, steps toward professionalization have naturally flowed in campuses around the country. Waugh (2003) also reinforces the above argument that given that the board and public officials, who are more involved in hiring, ultimately make the selection for the president, they are likely to pick presidents who will be more focused on management than on academics.

In addition to management philosophy, university presidents are also often times considered for their fundraising prowess as well. Cook (1997) explained how fund raising has become a key function of the president. When fund raising takes such a central role in the presidential selection process, it is fair to assume that the figurehead will be more allied to fundraising and also more aligned to the managerial side of the university than the academic side. Such a situation is a dilution, according to many opponents of external funding, of the academic role of university presidents.

In addition to the purported distortion of the role of the university leader, the other area that is assumingly compromised is university research. Industry-funded research in the form of structural joint ventures or mergers between the university and a corporation are often widely criticized. Caldart (1983) stated that industry-funded research is deemed to compromise quality because it's dominated by commercial interests. The author even went further and raised questions on an ethical level because such type of research, according to him, is not primarily targeted to serve the public good. He contrasts a philanthropic corporate contribution with an overt corporate investment in academic research, which is deemed to serve some commercial end. It is true private industry's primary goal is indeed to serve shareholders, and only after such goals are met, a possible secondary goal may be to serve public interest. Hence, through such arrangements, the university and the private corporation often are embarking on the same venture, but they are definitely espousing different goals and following different rules. Caldart (1983) further talked about the level of infiltration by private industry into academic research, which could range from simple contractual arrangements on couple of research projects to a whole full-fledged structural merger of a university and the corporate partner, like the Whitehead Institute at the Massachusetts Institute of Technology. In this instance, a separate board was even created for that institute. It could be argued that members on that board had dual allegiance both to the university and to the corporation, which had some control over almost everything that touched the institute even faculty selection and hiring. What gets researched on, what methodology to use and questions about licensing and patenting rights all come into play when such partnerships emerge. As simply stated by the author, "proper functions of university research are inconsistent with the profit motives of the private investor" (Caldart, 1983, p. 31). One can reasonably assume that with such level of infiltration, indeed academic freedom will be

compromised probably to the detriment of the ultimate goals of higher education. A reasonable balance, preserving the categorical independence of the university while maintaining a natural interplay between the university and society, is essential.

Another school of thought, however, espouses the concept that relying on multiple and diverse sources of funding actually increases institutional autonomy. Not relying on one single major donor therefore relieves an institution to be at the whim and mercy of one major donor, even if it happens to be the state. Snyder (2002) discussed how any type of funding is inherently bound to compromise autonomy, whether it's money from the state, private donors, corporations or even from student tuition fees. There is no such thing as total autonomy because funding will come with strings attached regardless of the source.

Ashford (1983), for example, specifically addresses funding of university research from private industry. In his study, Ashford talks about the early 1980s when biotechnology was making its first strides in university curricula – such research undertakings were primarily funded through private corporate partnerships. Even though he concurs that such arrangements indeed had to have an effect on both research subjects and designs, still he acknowledges that it is necessary in a modern context because the state can't afford to fund every research project. In fact, he goes further with the modern definition of academic freedom to include the interplay between university and the greater society.

Many research projects undertaken at university campuses involve creating a new product or technology or improving an older one. In so doing, the institution is meeting some societal need rather than just carrying out research to fulfill a quest for knowledge. Ashford acknowledges that yes, industrial funding does come with strings and does invoke researcher biases; however, this is not necessarily a problem but part of a bigger solution. He talks about the

university striving to have a neutral viewpoint, which is virtually impossible because sources of funding will come with strings attached. The university should rather espouse a multiplicity of viewpoints since it is through the “interplay of opposing ideas that the quality of academic work is enhanced and refined” (Ashford, 1983, p. 20).

After examining the arguments for and against external fund development, the researcher can appreciate that it is an essential component of university funding, especially in today’s fiscal environment. While it’s bound to affect university autonomy, it also enhances that same value of independence by multiplying viewpoints. If, for example, there is industry-funded research for the benefits of a new drug, there could also be opposing research within the same university, funded by a different agency or nonprofit, that would explore the possible cancer effects of such drugs. It is also true that such a dynamic would be a difficult goal to achieve because, firstly, the funding for opposing research must also be readily available at that same university at that same time. This might be difficult to achieve though because the private corporation will also have to be on board and be willing to engage in a partnership with a university that may also be doing opposing research.

While critics say the current structure is detrimental to university independence, they fail to provide plausible solutions to address the lack of resources that higher education is facing at this point in time. Caldart (1983) claimed that the future of such university-industry partnerships will be legitimized only if the university no longer felt compelled to seek outside funding to meet its basic needs, but this is not a plausible or foreseeable outcome – such a response is hollow of a statement rather than a solution to address funding needs.

Another important point to consider is that private sources of funding are not bound to be corrupt – consider the numerous funding sources of private universities. Are their research all



invalid, including world reputable institutions such as Harvard and Yale? Baldrige, Curtis, Ecker and Riley (1977) even went further to tell how the lines between private and public is getting increasingly blurred, whereby private foundations are also starting to take an active role in funding for public universities.

Based on the articles reviewed and the discussion that followed up, the author confirms that indeed external fund development does affect academic freedom; however, it's more of a positive contribution because it ends up enhancing the independence of the institution by freeing it from one major donor. To allow for a multiplicity of viewpoints, the proper safeguards should also be set in place in order to ensure that funding does not get too much in the way of academia.

Finally, for major flagship multiversities that engage heavily in research, it should be noted that those institutions are usually cybernetic in nature. They are usually large institutions with their leaders actively fundraising. And if questions of academic integrity were ever to be raised by a vocal faculty senate, for example, auto-correcting mechanisms would be activated to remedy the situation.

### References

- Ashford, N. A. (1983). A framework for examining the effects of industrial funding on academic freedom and the integrity of the university. *Science, Technology, & Human Values*, 8(2), 16-23. Retrieved from <http://www.jstor.org/stable/688916>
- Baldrige, J. V., Curtis, D. V., Ecker, G., & Riley, G. L. (1977). Diversity in higher education: Professional autonomy. *The Journal of Higher Education*, 48(4), 367-388. Retrieved from <http://www.jstor.org/stable/1978649>
- Basinger, J. (2001). Private sources play more of a role in paying public-university chiefs. *Chronicle of Higher Education*, 48(14), A24. Retrieved from <http://www.lib.lsu.edu/apps/onoffcampus.php?url=http://search.ebscohost.com/login.aspx?direct=true&db=sih&AN=5649052&site=ehost-live&scope=site>
- Caldart, C. C. (1983). Industry investment in university research. *Science, Technology, & Human Values*, 8(2), 24-32. Retrieved from <http://www.jstor.org/stable/688917>
- Cook, W. B. (1997). Fund raising and the college presidency in an era of uncertainty: From 1975 to the present. *The Journal of Higher Education*, 68(1), 53-86. Retrieved from <http://www.jstor.org/stable/2959936>
- Karnes, F. A., Stephens, K. R., & Samel, B. R. (1999). Fund development: An untapped resource for gifted education. *Gifted Child Today Magazine*, 22(5), 30-33,52. Retrieved from <http://www.lib.lsu.edu/apps/onoffcampus.php?url=http://search.ebscohost.com/login.aspx?direct=true&db=eric&AN=EJ594996&site=ehost-live&scope=site>

Snyder, M. D. (2002). A question of autonomy: The view from Salzburg. *Academe*, 88(3), 34-37.

Retrieved from

<http://www.lib.lsu.edu/apps/onoffcampus.php?url=http://search.ebscohost.com/login.aspx?direct=true&db=eric&AN=EJ647429&site=ehost-live&scope=site>

Waugh, W. L., Jr. (2003). Issues in university governance: More "professional" and less academic. *Annals of the American Academy of Political and Social Science*, 585, 84-96.

Retrieved from <http://www.jstor.org/stable/1049752>