

# **‘The Global Financial Crisis: A Crisis of Relevance for Universities?’**

Dr Todd Bridgman

Victoria Management School

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# Ideas which sparked my interest

- Decline of the public intellectual (Jacoby, 1987; Posner, 2001)
  - Institutional factors encourage academics to specialise and write for other academics rather than the public
- Democratic function of the university
  - Free and open inquiry, source of social criticism
  - Potentially compromised by view of universities in a 'knowledge economy'

“Innovation is critically important for New Zealand’s economy as a driver of productivity growth. Research supports innovation by building New Zealand’s knowledge base, developing better ways of applying existing knowledge for commercial use and addressing social and environmental concerns. Tertiary institutions need to work more closely with business to ensure that research meets the needs of the economy.”

TERTIARY  
EDUCATION  
STRATEGY 2010–15

# NZ Universities as Critic and Conscience

Education Act 1989, S 162, 4 (a)

- that universities have all the following characteristics...
  - (i) they are primarily concerned with more advanced learning, the principal aim being to develop intellectual independence:
  - (ii) their research and teaching are closely interdependent and most of their teaching is done by people who are active in advancing knowledge:
  - (iii) they meet international standards of research and teaching:
  - (iv) they are a repository of knowledge and expertise:
  - **(v) they accept a role as critic and conscience of society**

# Academic Freedom

Education Act 1989, S161, 2(a)

- *Academic freedom*, in relation to an institution, means—
  - (a) the freedom of academic staff and students, within the law, to question and test received wisdom, to put forward new ideas and to state controversial or unpopular opinions:

# Maverecon: Willem Buiter



*“Academics have no duty other than to state the truth as they see it - to ‘speak truth to power’. This gives them the ability to be undiplomatic, blunt, tactless and outspoken in ways that are unacceptable in the wider world - the world of grown-ups.” (Buiter, 2009)*

Chief Economist of Citigroup. Formerly Professor at LSE and blogger at <http://blogs.ft.com/maverecon/>

“We want to ensure our research and knowledge are shared with the public in a way that enriches New Zealand’s culture, society and economy. Victoria University’s staff and students are well placed to contribute to the opportunities and challenges in the world today and we will continue to encourage and support staff in their role as the critic and conscience of society.”

*(Chancellor Tim Beaglehole, Victoria University, 2008)*



# Public Intellectuals in NZ

- History of anti-intellectualism in NZ (Horrocks, 2007, Simmons, 2007)
  - Small population
  - Geographical isolation
  - Colonial attitudes suppress Maori intellectualism
  - Pioneer culture privileges Kiwi ingenuity and undervalues academic achievement

# 'In Search of the Business School Public Intellectual'

- Existing models of the business school largely ignore this public role
  - Professional school vs academic department vs commercial enterprise (Bridgman, 2007)
- Increasing stakeholder demands for 'relevance'
  - Relevance debate polarised around nodal points of 'engaged' and 'critical'
    - 'relevance gap' for business schools can be closed by shift to generating practical knowledge(Starkey and Madan, 2001)
    - Practical application risks a loss of the university's distinctive quality of independent validation (Grey, 2001)
      - Public role of academics is largely ignored

# Research objectives

- Theorise the position of the university as ‘critic and conscience of society’
- Qualitative research into the factors that enable and constrain public work by NZ academics in business-related disciplines
  - Case study of public conversation on GFC in NZ



# Defining public comment

- Public presentations
- Media appearances
- Material written for a general audience
- Blogs
- Submissions to public bodies

etc

# Method

- Identification and analysis of public comment on GFC and its impact on NZ
- 43 semi-structured interviews over 4 categories
  1. Academics who have made public comment on some aspect of the GFC
  2. Academics in relevant disciplines (economics, banking, property, law, management etc) who have not made public comment on the GFC
  3. Other experts (i.e. not academics) who have made public comment (e.g., bank economists, economic consultants, interest group spokespeople)
  4. The Media - including journalists, journalism educators and media commentators.
- All 8 NZ universities represented in the sample

# Public Voices on the GFC in NZ

- Contribution of academics has been muted
- Dominant voices are those of 'other experts' and senior journalists
- Mainstream news media facing increasing resource constraints, reducing quality of coverage
- Growth of new media a positive development





“Let me tell you about economists, in particular those we hear on the radio and on television and read in newspapers. They are fundamentally, intellectually dishonest. They are not to be trusted because they are deeply compromised.”

Paul Holmes, *New Zealand Herald*, August 15, 2010



“The only people who know what is going on, fundamentally, are the shopkeepers and Fonterra.”

Paul Holmes, *New Zealand Herald*,  
August 15, 2010

# Faint Voice of Academics

- Limited public contribution overall, although some vocal exceptions
- Their public participation driven by
  - Desire to have an impact (on policy, wider community)
  - As a service to the community in return for public funding of universities
  - To publicise teaching programmes

# Faint Voice of Academics

- Many academics see public work as detrimental to their careers
  - Not valued highly by promotion committees
  - Time-consuming, leaving less time for PBRF-rated research
- Other reasons to avoid public work
  - Being misquoted by journalists
  - Being seen by colleagues as ‘dumbing down’ academic knowledge
  - Lack of relevant knowledge
  - Not skilled at communicating with public audience

“I actually think that Universities have a public good role in terms of providing commentary to society, I mean we are after all paid by taxpayers in essence, and it's reasonable that the tax payer has some opportunity to access some of the information that's provided, but I also don't set that much store by there being a promotion side of things anyway, I am not that desperate.”

*Academic*

“If I’m going to go to my manager and say ‘I want to devote some of my time to understanding the impact of the current global financial crisis on New Zealand communities’, the manager is going to say ‘And when you’ve done this where are you going to publish it?’.

‘Oh well there will be groups that will want to hear me talk about it and I might get something for *New Zealand Economic Papers*’.

And he’s going to say ‘Well, you’re talking about a research record that would get you a C in the next PBRF’.

‘But it could have a big impact on the New Zealand economy’.

‘Oh well the PBRF doesn’t measure impact. It measures publications and a list of journals that are ranked from A to C.’”

*Academic*

# Strong Voice of Other Experts

- High levels of contribution
  - Research reports for public release, media commentary, presentations to community groups
- Stronger incentives to contribute
  - Desire to have the perspective of the organisation heard
  - Useful way of building a public profile
  - Helps to build credibility with clients

# Strong Voice of Other Experts

- But educational role also important
  - Some see themselves as ‘public educators’
  - Often strong identification with the discipline
- Public work generally encouraged, supported and recognised by their employers

“As economists, as well as doing all that forecasting, we are in some ways part of the brand of the bank and that when they’re wanted it’s an effective way of getting your message out there. It’s in a bank’s interest in us saying what we think because (a) it’s useful, it’s part of our position within the community to make comment on financial matters; and (b) it’s good for our brand to be seen out there as a source of knowledge.”

*Bank economist*

# Mediating the conversation

- Resource constraints in mainstream news media
  - Newsrooms operating with fewer journalists
  - Loss of senior journalists to higher paying jobs (e.g. PR)
  - Little specialised training in business journalism
  - Business journalism not popular with journalism graduates
- Reinforces disposition towards routine sources, 'churnalism'
- Not well equipped to perform a 'fourth estate' role
- But growth of local blogosphere a positive development

“The media could have asked all sorts of much better questions that would have had really juicy stories for them over the last year or two with what banks have done with their interest rates and why. And I don’t know whether it’s a lack of market savvy that they can’t see it, or the banks do a good job of controlling the message that they just sort of regurgitate what we’re saying.”

*Bank economist*



"This One Weather Update is brought to you by Hanover, a New Zealand business with the size and strength to withstand any conditions."

# What is distinctive about the academic voice?

- Better able to provide a historical perspective
- Can offer the 'big picture' view
- Perceived by respondents in all categories as independent
  - Seen to speak as individuals
    - No institutional vested interest
  - BUT disagreement as to whether independence implies neutrality/disinterestedness
    - Objective expert vs advocate
  - Is independence a myth?

“The great benefit of an academic is that position of independence, they don't have a particular axe to grind, they don't have an interest in an issue, plus the perception that they know what they are talking about”

*Journalist*

“We have that independence which means often we’re in a much better position to comment than other perhaps better qualified people, who are tied in some way to not communicate because their jobs are on the line if they do...And there’s so many people in New Zealand who are in that situation, they’re caught inside the tent”.

*Academic*

“Independence suggests neutrality and I don’t think anybody’s neutral. So I think academics are probably speaking on behalf of themselves as people who know stuff rather than speaking on behalf of an interest group or an organisation. It doesn’t mean they’re neutral but it means that perhaps it comes from the heart...”

*Academic*

# Strengthening the Public Voice of Academics

- No simple solutions - Depends on interactions between Government, policymakers, universities, media and individual academics
- Some suggestions from respondents
  - Changes to the PBRF
    - Greater value given to local journals to encourage NZ research
    - Greater weight on impact of research on wider audience
  - Universities doing more to encourage and recognise public work
    - Public work given greater weight in promotions
    - Awards to recognise public contributions
    - Media training for academics more freely available
    - Honorary degrees for those who act as 'critic and conscience'
  - Strengthening relationships between journalism educators, journalists and academics
    - Better understanding of each other's roles.

# Implications for Universities of a Strengthened Public Voice

## Risk

- Limited control over faculty
  - Academic freedom
  - Much public work not facilitated by uni comms staff
- ➔ Potential for embarrassment
- Demystifies academic knowledge, potentially undermining academic authority



## Return

- Few tangible rewards in current tertiary sector environment BUT
- Demonstrates 'relevance'
  - Engaged with contemporary events
- Effective for building public profile
- Satisfies statutory obligation to be 'critic and conscience'

# “Pacific migrants ‘drain on the economy’”

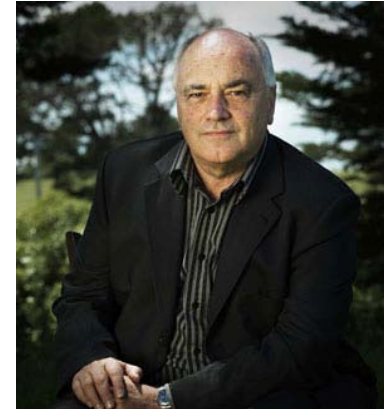
*Dominion Post, 20 May, 2008*



Tim Pankhurst, former  
*Dominion Post* editor



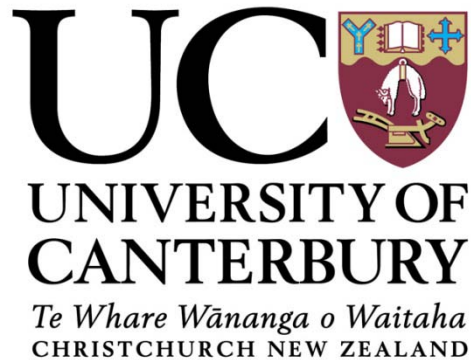
Dr Greg Clydesdale,  
Massey University



Joris de Bres, Race  
Relations Commissioner

“Mr de Bres seems in danger of forgetting this is a democracy, in which academics have the freedom their institutions allow them to comment and critique society and newspapers have the right not only to report such comment and criticism but also to decide what prominence to give what is, by any definition, news.”

*Dominion Post editorial, 27 May 2008.*



“We want it to help the College of Business and Economics become more interactive with the business community.”

Provincial Finance CEO  
John Edilson, July 2005