

The Wealth of Nations: Insights into University Funding

by Alison Wolf

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After more than 200 years, *The Wealth of Nations* still offers insights about university funding and students.



I have been re-reading Adam Smith.

Not, I'm afraid, in pursuit of a well-furnished mind, but because of the course I am teaching. It seemed time to stop assuming that I remembered what *The Wealth of Nations* said, and actually check.

One thing I forgot is that Smith is easy to read. As a result, I soon strayed from the core chapters and into interesting byways, including the evils of university endowments.

Smith, like almost every Scot since, was convinced that Scottish education was far superior to English. He had good reason. Scotland had a universal system of parish schools and Smith was strongly in favour of public support for basic education, with the caveat that teachers should not be paid solely from public funds, lest they grow lazy. Scotland also had universities that were, at the time, both more numerous and infinitely superior to England's two ancient institutions.

Many wealthy English families were abandoning Oxford and Cambridge universities. Some serious-minded parents sent their sons north. Others praised the educational benefits of the grand tour.

Smith's view of this deluxe version of the gap year was rather different.

The young left at 17 or 18, and returned aged 21, he observed, "and at that age it is very difficult not to improve a good deal in three or four years".

Universities in Smith's day were teaching institutions. So why did the Scots teach so well and the English so badly? Smith's answer is simple: endowments. At Oxbridge, endowed wealth freed the fellows from any need to be diligent or to keep up to date, and so most of them did not bother. "The richest and best-endowed universities," he argued – correctly for his time – were "the sanctuaries in which exploded systems and obsolete prejudices found shelter and protection."

Today, academics hanker after endowments as a release from dancing to which-ever tune our governmental paymasters choose. Smith was pretty scathing about centralised control, too. But he was quite convinced that a guaranteed salary undermines academics' "diligence". They either do very little work or direct

all their energy to non-teaching activities that further their individual reputations and personal interests.

Two hundred years on, universities are about research as well as teaching; but Smith's analysis is easy to apply. We know that successful individual careers are made through research and publications, and this affects not just the status but the time given to teaching. Many people teach seriously and well. But suppose end-of-course student feedback, and the number of students we attract individually, had a major influence on salaries and prospects, and research publications did not. Would we really all behave the way we do today? Modern academics will mostly recognise the problems but demur at Smith's solution. He argues that if universities are to be any good at teaching the young, they must depend on students' fees. The consumer must be sovereign.

As a Glasgow university professor, Smith had ample experience of fee-paying students. In his view, "where the masters really perform their duty, there are no examples, I believe, that the greater part of the students ever neglect theirs. No discipline is ever requisite to force attendance upon lectures which are really worth the attending, as is well known wherever such lectures are given".

With students such as this, "consumer sovereignty" is easy to support. But what about today? Virtually every academic I know complains of the instrumental attitude of many students: their desire to do the minimum required to pass examinations and leave with their diploma. I suppose this might change as fees increase. But students in US private universities where I have taught seem similar to those in our nationalised ones.

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I think the problem is that, for many modern university students, the content of their degrees is fairly irrelevant. An interesting course is a bonus, but what matters is simply to graduate, preferably with a 2.1. Most see little link between their future careers and the substantive skills and knowledge their degrees supposedly offer. Hence, they and research-

driven academics have a common interest in not making courses too demanding or time-consuming.

There are still degrees where mastering the content matters for your future career, and they include some for which graduate salaries have been rising fastest. Nonetheless, universities are stuck with a problem over student and staff incentives. Mountains of teaching-quality inspections will do nothing to help. Among academics, we mostly have to rely on our own sense of duty and peer pressure. But well-understood degree classes do motivate students, and we need to hang on to them.

This article does not necessarily reflect the views of the Education Forum.

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