

Warning bells for academic freedom

In early January, preliminary results of the Australia Institute's study into academic freedom and commercialisation formed the centerpiece of a major public debate in the national media about university standards. The final report was released on March 16th. Institute Research Fellow and co-author of the report, Pamela Kinnear, outlines the major findings of the study and discusses their implications for higher education policy.

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For some time now anecdotes have been circulating around the Australian higher education sector about the declining quality of university education. These anecdotes occur in an environment in which universities are increasingly reliant on external research funding, fee-based courses and consulting services.

“Academic Freedom is the key legitimating concept of a university.”

The costs and benefits of these changes are the subject of considerable debate. Within such debates, however, concern has been expressed about the impact of commercialisation on the principle of ‘academic freedom’.

As one commentator has observed, academic freedom is, the ‘key legitimating concept of a university’. It is generally understood to be the right of academics to teach, research and publish contentious issues, to choose their own research colleagues and to feel supported by the institution to speak on social or policy issues in areas of their expertise without fear or favour. In many respects, the idea of academic freedom is what distinguishes universities from other research and education or training agencies.

Over recent months the Australia Institute has conducted an exploratory study into the relationship between increasing commercialisation of higher education and academic freedom. The study analysed perceptions and experiences of social science academics in a sample of Australian universities. The social sciences were selected for study as it was felt that the issues affecting other disciplines are different, and worthy of separate study. The focus was also stimulated by a concern that an erosion of academic freedom for social scientists may affect the quality of public debate in Australia.

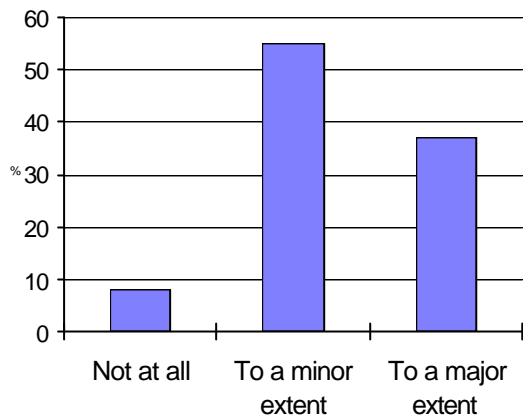
“perceptions of the state of academic freedom were overwhelmingly negative.”

The study was exploratory in nature as little empirical research has been conducted in Australia about the issue. The intention of the study was thus to gain an initial understanding of the issues involved and the types of challenges, problems or benefits that accompany the new environment.

Major Findings

As Table 1 shows, respondents' perceptions of the state of academic freedom were overwhelmingly negative. Ninety-two per cent

Fig.1 Overall concern with state of academic freedom.



reported that they were concerned about the state of academic freedom, with 37 per cent reporting major concern. Seventy-three per cent reported that there had been a deterioration in academic freedom over the past four years, and 45 per cent of these perceived a major deterioration (fig. 2). Of these, 81 per cent considered that the deterioration was a result of commercialisation.

These findings are particularly worrying in the face of the fact that nearly all respondents rated most aspects of academic freedom as highly important. This was especially so in relation to the freedom to define their own research topics and to publish without fear of censorship. The freedom to teach contentious propositions and to determine student standards was also considered to

be highly important. Despite this fewer than half were highly satisfied with these aspects. Only 38 per cent were highly satisfied with their freedom to publish without fear of censorship. Sixteen per cent expressed low satisfaction with the latter. Twenty-seven per cent expressed low satisfaction with their freedom to determine student standards.

These perceptions seemed to be founded on personal experience. When asked about their experiences of commercialisation and academic freedom, 17 per cent of respondents reported that they had been prevented from publishing contentious results and a further 41 per cent said that they felt discomfort with doing so. Almost one in two respondents reported that they were reluctant to criticise institutions that provide large research grants or other forms of support.

Responses to open-ended questions and interviews revealed a number of systemic effects of commercialisation on academic freedom. These were:

- that increased workloads, arising from additional commercial research and teaching activities, were

- reducing academics' independent research time;
- the pressure to engage in attracting research funding from industry increasingly channeled academic effort into safe, well defined areas rather than speculative ones;
- the emphasis on fee-based courses for domestic and international students undermined teaching standards; and
- the emphasis on fee-based courses benefited disciplines that were vocational rather than speculative and redirected teaching focus to areas tangential to academics' expertise.

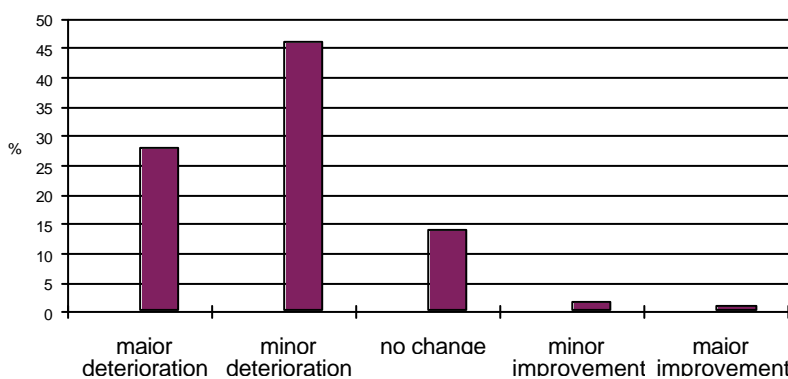
“What is a University for? What should be its defining role?”

Not all experiences with commercialisation were negative. Indeed, a number of respondents reported that commercialisation created greater accountability and relevance to industry, government and community and counteracted subservience to dominant ideologies within academia. Some also thought that collaboration with industry and government improved the quality of research by forcing application of research to ‘real world’ situations. This indicates that it is not the commercialisation per se that is the problem, but rather the way that commercialisation has been managed.

Implications

The changes to the sector in recent years have stimulated a public debate about the identity and purpose of universities. These findings sound some

Fig. 2 Extent of change in academic freedom, past 4 years.



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warning bells for the university sector and raise questions of how academic freedom can be maintained in the rapidly changing environment of Australian universities. What is a university for? What should be its defining role? Should the idea of academic freedom remain a core value of the university sector? If so, how should it be protected?

Historically the idea of academic freedom has been supported by a range of institutional structures and administrative arrangements. However as universities change, these supporting structures also change. New ways of organizing academic work may now be required. However, in dismantling and replacing these structures, sufficient account must be taken of how to protect core values of university education and research. The findings of this exploratory study suggest that academic freedom may be eroding. Changes do not so far appear to have incorporated ways to ensure the protection of independent inquiry. This has been exacerbated by the lack of strategic planning in the 'dash for cash' on which universities have embarked. Moreover, as institutional supports diminish, responsibility for academic freedom appears to be left largely in the hands of individual academics.

New systems to support and protect academic freedom may include:

- recognising the investment of intellectual capital contained in all disciplinary areas;

Hard questions about soft marking – claims go to Senate

Speaking at the National Press Club on 14th March, the President of the Australian Vice-Chancellors' Committee, Professor Ian Chubb, admitted that the universities had been caught off-guard by the recent media storm over complaints by academics about unfair practices involving full fee-paying students.

The furore was sparked by preliminary findings of the Australia Institute's academic freedom survey which suggested that 'pressure to increase the numbers of fee-paying students was undermining teaching standards'.

The vice-chancellors should not have been shocked by the allegations. The issue of preferential treatment for full fee-paying students has been festering away for some time in the corridors of our universities, and is a manifestation of the changes that commercialisation of the sector has brought over the last decade or so.

Despite not setting out to investigate 'soft-marking', the Institute study uncovered considerable concern about this issue through open-ended comments and interviews. The Institute has subsequently provided a submission to the Senate Inquiry including all the data collected on the issue of full fee-paying students.

Several cases of alleged soft marking for full fee-paying students have become public since the media attention in January. The Institute has also collated all of these allegations into a dossier as an appendix to its Senate submission. One of the most disturbing cases is that of Associate Professor Ted Steele who was sacked by the University of Wollongong for saying he had been instructed to up-grade two honours students. The Steele case sends a clear message – "If you blow the whistle, your job is on the line".

The first response of some university administrators to complaints of soft-marking and preferential treatment has been to accuse the academics themselves or deny the existence of problems. But the issue must now be seen as part of the larger problem of the warping of values and standards by the pressures of commercialisation and the erosion of collegial decision-making.

If the doubts about the quality of Australian degrees are not to go back underground it is in the interests of the vice-chancellors to identify the problems in the system and then deal with them decisively.

Clive Hamilton

The Electronic Institute

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Use and Abuse of Job Statistics: The need for new employment measures

In our rapidly changing labour market the only thing that hasn't changed is the way we measure it. Because of this, we don't really know how efficient the labour market is. An Australia Institute paper, launched by the Hon. Cheryl Kernot last month, argues that new measures are needed to more accurately indicate whether the new labour market is meeting the employment needs of workers and the production needs of employers. Richard Denniss, Institute Research Fellow and author of the paper, explains.

In Australia today there are almost as many underemployed workers as there are unemployed. Unfortunately, the needs of underemployed workers (i.e. those workers who desire additional hours of work) are not reflected in the monthly summary statistics of the labour market's performance such as the unemployment rate.

To be defined as employed, a person need only work for one or more hours per week. The unemployment rate therefore only includes those people who worked less than one hour per week, who were actively seeking work and who were ready to start in the reference week. Gaining the first hour of employment may solve the statistical problem of unemployment, but it does nothing to reduce the social and economic hardship faced by the individuals concerned. Focusing on the number of unemployed people made some sense during the 1960s when 90 per cent of jobs were full-time. But in a labour market in which employment growth is dominated by part-time and casual work this is no longer the case.

In fact, the available data paints a disturbing picture. The number of underemployed workers has risen steadily over the last 20 years, with more than 600,000 workers seeking additional hours. Of those workers, more than 200,000 were working fewer than 10 hours per week.

In addition to the problem of underemployment, another major problem experienced in the contemporary labour market is overwork. Whilst no official data is collected on the extent of overwork

it is clear that people are working longer hours than ever before. Available data show that the proportion of people working more than 50 hours per week is now around 17 percent, including 9 percent who are working more than 60 hours per week. The social costs of overwork are often overlooked.

If the problems of underemployment and overwork are to be understood, and in time solved, then it is essential to have adequate information about the nature and extent of the problem. At present such data do not exist. While some data on the desired hours of part-time workers are available annually, the desired hours of all workers must be collected and published regularly if we are to determine the extent of underemployment and overwork.

The Institute's Discussion Paper, *Measuring Employment in the 21st Century: New Measures of Underemployment and Overwork*, was recently launched by the Shadow Minister for Employment and Training, Cheryl Kernot. The paper outlines the problems associated with the existing measures of the labour force. It also makes specific proposals about what information should be collected to provide an accurate picture of the labour market.

One of the main recommendations of the paper is that the statistical system needs to change. That would reflect the 'flexibility' which has been encouraged by successive governments in Australia. Arguments for labour market deregulation maintain that it allows employers and employees to

negotiate employment outcomes which are mutually beneficial. However, the absence of data on the desired hours of all workers makes it impossible to say how efficiently the labour market is matching the desires of workers with the demands of employers. Evidence of an increase in underemployment and overwork suggests that labour market 'flexibility' has not led to an improvement in the capacity of the labour market to match workers' needs with the jobs offered by employers.

Once accurate information on the gap between desired hours and actual hours of work is collected, new summary indicators can be developed to better describe the performance of the labour market. The underemployment rate, for example, could express the total hours of underemployment (including unemployment) as a percentage of the total hours worked in the economy.

The labour market has changed fundamentally since the 1960s, and so too must the statistics used to describe it. Despite continuous calls for reform in all other labour market institutions, it is notable that a 'reforming' government resists the need to change the statistics used to measure their 'success' in meeting the needs of Australian workers. ■

On 27 February 2001 Cheryl Kernot MP launched Institute Discussion Paper No. 36 'Measuring Employment in the 21st Century: New measures of underemployment and overwork' by Institute Research Fellow Richard Denniss. The following is an edited version of Ms Kernot's speech.

Asking the right questions on employment

The Hon. Cheryl Kernot

For too long now we've allowed the monthly announcement of the unemployment rate to be **the** story about jobs. Five seconds and an up or down arrow on the nightly news is all we get! When unemployment is seen to be falling we turn off; we fail to look for the human dimensions behind these numbers.

Does the person in the street know, for example, that when an economist says someone is 'employed' that they only have to have worked for more than one hour per week for pay, profit, commission or payment in kind? Would the person in the street know that that when people give up searching for work because they think it is probably useless even though they still want to find work, the measured unemployment problem shrinks? I doubt it.

As full-time jobs are converted into casual jobs the number of employed persons doesn't fall, but I can tell you the number of satisfied workers does fall. The headline unemployment rate tells us nothing about this smoke and mirrors trick. There is an enormous gap between what the unemployment rate tells us and what most people understand it to mean. This Government are *masters* at relying on this misunderstanding to make people believe that the unemployment rate is not that bad. But those Australians stuck without work, or in a series of casual jobs, aren't fooled by the statistics: they know they are not getting a fair share of economic prosperity.

The system of labour market statistics in Australia is in urgent need of reform. The principal measure of labour market performance, the unemployment rate, was developed in an era when the labour market was based on full-time male bread-winners. It is based around an outdated and rigid structure whose main function is to classify people into one of three categories – employed, unemployed and not in the labour force.

Rather than continuing to attempt to place all Australians into one of three labour force categories and describe the performance of the labour market by dividing one category by another, this paper advocates a different approach.

The new approach would incorporate information on how many hours people would *prefer* to work as well as how many hours they do work. By asking respondents to the ABS's Labour Force Survey to state both the number of hours they worked and the number of hours they desired to work it is possible to measure the nature and extent of unemployment, underemployment and overwork simultaneously.

We hear a lot about how deregulation gives workers and employers room to negotiate outcomes that are mutually beneficial. But the only tool we have to assess this 'efficiency' is the unemployment rate. Although the unemployment rate tells us nothing about underemployment or overwork, yet we rely solely on this flawed indicator to tell us about people's satisfaction with their jobs.

As Shadow Minister for Employment I want to tackle more honestly than the current Government the growing casualisation of the workforce: the way in which casual and part-time jobs masquerade as satisfactory employment. I want us to focus more seriously on the growing incidence of overwork and its effect on families trying to juggle work and life.

Today I would like to formally announce that a future Labour Government will ensure that the Australian Bureau of Statistics asks those who have been defined as 'not in the labour force' plus those who are unemployed as well as those who have a job: 'How many hours did you work and how many did you want to work?'

I congratulate Richard Denniss, Clive Hamilton and the Australia Institute on the quality as well as the in-depth nature of this report.

Why federal/state finances matter

Australians interested in equitable distribution of national resources are not always excited by the apparently dry issue of federal/state finance. However, as Institute Senior Research Fellow Julie Smith argues, there are good reasons to be concerned about the issue – especially in the light of the ever increasing city/country divide and with the next Premiers' Conference just around the corner.

Federal/state finance is for most Australians a bore, or at most an animated outburst of parochialism and petulance at the annual Conference of Premiers. Few realise its important for the lives of ordinary people.

The Australia Institute's work on gambling has shown how, under fiscal pressure from the Commonwealth, States become caught up in the destructive pursuit of gambling revenues to fund public services. The founding Australia Institute Chairman, the late Max Neutze, has also highlighted the important equity effects of the financing of urban infrastructure by State and local governments. Excessive fiscal constraints that result in inappropriate privatisation, 'user pays' pricing, or private financing of public infrastructure costs can mean some areas unfairly miss out on quality urban services, education or health care facilities.

“economic deregulation has exacerbated strains...in federal/state financial relations.”

According to the late Professor Russell Mathews, a distinguished scholar of fiscal federalism, Australia's unique arrangements for sharing revenue grants among the States are 'a practical manifestation of Australians' dominating concern for equity' across a vast and diverse country. At a time when the divide between the regions and the capitals, the city and the bush is a key theme of Australian politics, it is worth exploring the origins and underlying values of such apparently esoteric but increasingly vulnerable institutions of equity.

Australia's fiscal equalisation arrangements aim to adjust each

State's share of Commonwealth grants both for their citizens' varied capacity to pay taxes, and for certain (e.g. demographic) factors causing differences between States in the cost of providing services. In this way it is intended to allocate grants so that all States can provide an Australian average standard of public services without wide variation in the average level of taxes.

“the GST isn't the panacea it purports to be.”

However, this intention has often been thwarted by the imbalance in revenues available to State governments. Although States are responsible for providing schools, hospitals, welfare services and most public infrastructure in Australia, they can raise only one fifth of national taxation. This has left State budgets vulnerable to Commonwealth fiscal policy.

Commonwealth fiscal stringency and economic deregulation during the last decade and a half has exacerbated strains in our regions and in federal/state financial relations. When grants were shrinking in real terms, the equalisation arrangements merely operated to bring the States to a common level of poverty.

The GST has been sold by the Howard Government as the solution for such problems. Its 1999 *Financial Agreement* with the States bought their compliance with the new tax system for several years. Yet the GST isn't the panacea it purports to be. Under the new arrangements for the GST, revenue sharing arrangements will become more contentious as a much larger share of Commonwealth payments to States will be offered on a redis-

tributive basis. The relatively low share of GST revenues going to the States to replace their abolished taxes and grants is less likely to be scrutinised.

The larger States increasingly question the 'efficiency' of taxpayers subsidising services in smaller, more financially vulnerable States, while the latter respond that their State finances and regional economies cannot withstand further cuts into grants to which they are fairly entitled.

An important question therefore is: how has the Commonwealth's domination of taxation since 1942 affected the Australian States ability to access finance, including borrowing, for public investment. And what have been the consequences for Australian governments' capacity to reduce inequality through provision of public services?

Funded by a Centenary of Federation grant, and in collaboration with the Centre for South Australian Economic Studies, the Australia Institute is soon to complete a study exploring such issues from an historical perspective. The study looks at the origins and of Australia's current federal financial system, and the values that underpinned its evolution. It also considers how this federal finance structure has influenced the redistributive role of Australian governments, so as to better scrutinise the rhetoric about its benefits, and to more easily imagine how the significant changes brought in by the GST might affect Australian citizens in our second century of federation. ■

This work will be released as a discussion paper in April 2001.

Overwork and deregulation

Overwork is overtaking unemployment as the number one labour market problem, according to new analysis by the Australia Institute.

The research shows that total hours of overwork grew by 277 million in the two years to the end of fiscal 2000 while total hours of unemployment fell by 271 million. For the first time, hours of overwork – defined as hours worked by full-time workers in excess of 40 hours per week – now exceed hours of unemployment.

The historical trend of a shorter working week has been reversed and the phenomenon of absentee parents is putting new pressures on families.

Australians were once characterised as living their lives at a relatively relaxed pace with short working hours and an abundance of public holidays. While the public holidays claim was always a furphy, it is quite true that the average working week became pro-

gressively shorter over the first 80 years of the last century. The last 20 years on the other hand saw the average working week for full time workers lengthen from 39.9 hours to 42.9 hours, with many working much longer than the average.

It would seem that longer working hours run contrary to much of what the current Howard Government says it is trying to achieve. In all its talk of relying more heavily on families to solve a wide range of social problems the Government has not addressed the difficulty of such an approach in a deregulated labour market. More family dinners together have been shown to reduce drug abuse among youths, but its not easy to eat together when fathers work 60 hours a week and mothers work split-shifts.

In 1999-2000, the number of hours of overwork reached 1034 million. As a rough guide, this is equivalent to around 500,000 full-time jobs. At present 585,000 Australians are officially looking for work.

There is little doubt that deregulation of the labour market is partly responsible for worsening the maldistribution of work and has undermined the capacity of government to ensure that those who need the work get it. The Institute's Genuine Progress Indicator is based on the observation that GDP fails to capture many of the social and financial costs experienced by people who are unemployed and people who are overworked and incorporates estimates of the costs of these.

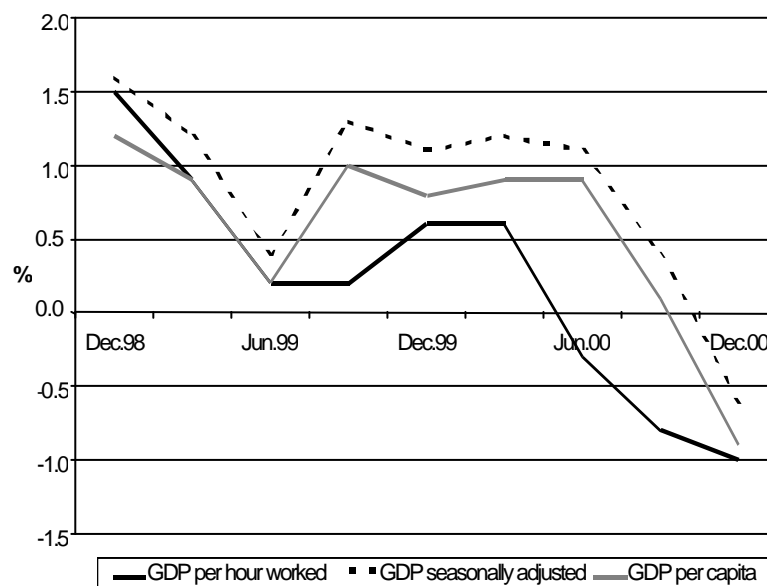
Clive Hamilton

The recession we are having...?

While GDP contracted for the December quarter for the first time since the recession of 1991, the figure shows that GDP per hour worked has actually been declining for three quarters. That is, it is longer hours of work that have been holding up the economy for the past nine months.

While GDP is a poor indicator of wellbeing, GDP per hour worked at least provides some information on the lost leisure time associated with different levels of production.

Growth in GDP, GDP per capita, and GDP per hour worked.



INSTITUTE NOTES

New Publications

- Richard Denniss *Measuring Employment in the 21st Century: New measures of underemployment and overwork* Discussion Paper 36
- Carole Kayrooz, Pamela Kinnear and Paul Preston *Academic Freedom and Commercialisation of Australian Universities: Perceptions and experiences of social scientists* Discussion Paper 37

Forthcoming Publications

✓Centenary of Federation ✓New Families ✓Volunteers

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- including explicit statements about the importance of academic freedom in university mission statements, procedural documents and rules and/or governing legislation;
- developing protocols regarding what external funding agents can request or demand from academics and improving assistance to academics in the negotiation of commercial contracts; and
- creating mechanisms for the protection of whistleblowers and introducing protocols to guide the determination of student standards and to maintain quality and diversity in fee-paying courses.

This exploratory study has revealed substantial unease amongst social scientists. How widespread the problems are throughout the sector is not yet known. But what is clear is that all is not well and that urgent action is needed to prevent further deterioration of academic freedom in Australian universities. ■

Do you have any comments or suggestions about the Institute newsletter? If so, send us an email at mail@tai.org.au

Conference on the Third Way

Increasingly the traditional political alternatives of the conservative side (Liberal or Republican) and the Labour side (or (Social) Democrat) are being rejected by both politicians and the electorate. Britain and the USA have recently experienced leaders committed to what is referred to as 'the third way'. Is this an appropriate lead for Australia to follow?

A conference at the University of New South Wales is being held to examine this question. The conference is for those from all academic disciplines or from none. Professor Bob Rowthorn of the University of Cambridge is the keynote speaker. Readers of this newsletter will be interested to know that Clive Hamilton is also a speaker. Other speakers will include major political figures and speakers representing a broad range of interests. As well as focusing on the meaning of the term 'the third way' and the strengths and weaknesses of this approach the conference will provide an opportunity to discuss the third way in relation to specific policy areas such as social policy, the environment, labour relations and indigenous and gender issues.

The conference will run from 12 July to 13 July.

The registration fee includes morning and afternoon teas and a light lunch and is:

\$280 if received by the 22 June, or

\$100 [for students, pensioners and the unemployed]
if received by the 22 June.

Registrations received after the 22 June will attract a late fee.

For registration forms contact John Nevile at
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Or by Email : j.nevile@unsw.edu.au

Updated information can be found at the Conference web site:
economics.web.unsw.edu.au/research/caer/thirdway/