# The University as a Business: A Chance or a Blunder?[1]

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**Abstract:** There exists a general confusion on what the university is and what it is for. Universities are in crisis, and as never before, they must justify their usefulness for society. It is claimed that in order to answer that crisis, universities should become business-like entities governed and managed in terms of demand/supply and efficiency. We claim—and exemplify that claim with the case of Philippine universities—that no university in a classical sense can be turned into a business without destroying it for the two domains have different founding principles, values, norms, and actions. We argue that the classical university is an important specie in the cultural environment and it is worthwhile to defend its existence, even if other knowledge-producing and education-providing institutions are developed and provide intellectual and human resources for the market.

**Keywords:** university, market, crisis, truth, academic capitalism

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## Introduction

Statistical reports show a paradoxical situation. On the one hand, the number of institutions called "university" is rapidly growing as some already existing institutions of higher education change their names to "university" and new institutions with that title are established. On the other hand, there exists a kind of confusion on what a university is and what it is for. It seems that the university is facing a "crisis of purpose."[2] Titles of many publications testify to that fact: *What Are Universities For?*,[3] *The University in Ruins*,[4] *Is the University in Crisis*?,[5] *The End of the University*,[6] *The Assault on Universities*.[7] It is often claimed that in order to answer that crisis, universities are to become a business-like entity. We claim—and exemplify that claim with the case of Philippine universities—that no university can be turned into a business without destroying its essence. The two domains have different founding principles, values, norms, and activities. Thus, this solution for the crisis of the university's purpose seems to be worse than the illness itself.

Two things have to be said to avoid misunderstanding. First, our claim does not presuppose that universities do not need to be well-managed; good management, in fact, is a condition for effective realization of the university's goals. However, the term "management" has a broader scope than "business management." Second, "university" has become an umbrella term for so many different institutions that contrasting a university with a business seems unjustified. This perspective however may be objected. The term "university" is desired as an institutional name because of the prestige it brings but the source of that prestige cannot be the institutions themselves claiming to be universities. We claim that the prestige attached to the term "university" comes from the 'a classical university' in the Middle Ages in Europe. So we will look for founding values and principles of that idea of university to contrast them with that of a business. This approach is in agreement with the ideal of the university sketched by John Henry Cardinal Newman and Tadeusz Czeżowski, a Polish philosopher from the Lvov-Warsaw School.

[2] William K. Cummings, "The Service Orientation in Academia, or Who Serves in Comparative Perspective?" in *Higher Education at the Crossroads*, edited by I. Fägerlind, I. Holmesland and G. Strömqvist (Stockholm: Stockholm University, 1999), 223.

[3] Stefan Collini, *What are universities for?* (London: Penguin Books, 2012); Geoffrey Boulton and Colin Lucas, "What are universities for?" (position paper, League of European Research Universities, 2008), https://www.leru.org/files/What-are-Universities-for-Full-paper.pdf.

[4] Bill Readings, *The University in Ruins* (Cambridge, MA: Harvard University Press, 1996).

[5] Craig Calhoun, "Is the University in Crisis?" *Society* vol. 43, no. 4 (2006): 8–18.

[6] Roger Scruton, "The end of the university," *First Things* (April 2015), https://www.firstthings.com/article/2015/04/the-end-of-the-university.

[7] Michael Bailey and Des Freedman (eds.) *The Assault on Universities: A Manifesto for Resistance* (London: Pluto Press, 2011).


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**Transformation of universities**

Probably as never before, universities are called to justify their usefulness to society and their claim to public money. This "usefulness" amounts to proving that universities serve national competitiveness on a global market.[8] This explains why various reforms of universities tend to strengthen those disciplines that have the greatest economic significance, mainly disciplines of technology and applied natural sciences.[9] This approach assumes also a view about what is meant by education and what is it for. From the point of view of the state, universities are to produce human resources and intellectual resources (knowledge and innovations); graduates, then, should be prepared to function well on the job market. In short, universities justify their existence and claims to social (and individual, in the form of tuition) money by proving that they can help to make more money on a national, supranational, and individual levels. The European Council in 2000 agreed: "The Union has today set itself a new strategic goal for the next decade: to become the most competitive and dynamic knowledge-based economy in the world, capable of sustainable economic growth with more and better jobs and greater social cohesion."[10] Also, the so-called European Higher Education Area was established by the EU to be its vehicle to become the world's leading knowledge economy. The idea is that, in order to provide goods desired by the global market, universities themselves need to function as parts of that market. We are no longer talking about universities developing relationships with business: universities themselves are doing business,[11] i.e., they produce desired knowledge and innovations as well as provide educational services.[12] Accordingly, universities are expected to relate to other social entities and students as customers and make changes to transform dull-looking and out-of-date institutions into something marketable.

The change is taking place. If universities do not transform quick enough, they forfeit the chance to participate in the development of society. Institutions named "universities" attempt to establish themselves as enterprises and this fact finds

[8] Cf. Stephen Turner and Daryl Chubin, "The Changing Temptations of Science," *Issues in Science and Technology* (22 Mar 2020): 40–46.

[9] See Jan Currie and Janice Newson, "Globalizing Practices: Corporate Managerialism, Accountability and Privatisation," in *Universities and Globalisation: Critical Perspectives*, edited by Jan Currie and Janice Newson (Thousand Oaks, CA: Sage Publications, 1998), 141–151; Sheila Slaughter and Larry L. Leslie, *Academic Capitalism: Politics, Policies and the Entrepreneurial University* (Baltimore, MD: The Johns Hopkins University Press, 1997).

[10] European Council, "Lisbon European Council, 23 and 24 March 2000, Presidency Conclusions" (European Parliament, 2000), https://www.europarl.europa.eu/summits/lis1_en.htm.

[11] Robert Cowen, "The Management and Evaluation of the Entrepreneurial University: The Case of England," *Higher Education Policy* vol. 4, no. 3 (1991): 9–13.

[12] Alberto Amaral and António Magalhães, "The Triple Crisis of the University and Its Reinvention," *Higher Education Policy* vol. 16, no. 2 (2003): 239–253.


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its expression in the narratives created about universities and in documents produced by the universities themselves. We talk about 'knowledge production', 'providing educational services', 'serving the needs of society', 'human capital', 'intellectual capital', 'science management', 'research and teaching personnel'; and concepts such as management, contract, regulation, accountability, and employment have become part of the everyday vocabulary of science.[13] This is not a new phenomenon. Max Weber observed in 1918:

> The German universities in the broad fields of science develop in the direction of the American system. The large institutes of medicine or natural science are "state capitalist" enterprises, which cannot be managed without very considerable funds. Here we encounter the same condition that is found wherever capitalist enterprise comes into operation: the "separation of the worker from his means of production." The worker, that is, the assistant, is dependent upon the implements that the state puts at his disposal; hence he is just as dependent upon the head of the institute as is the employee in a factory upon the management.[14]

The tendency has nowadays intensified. The experience of being a senior academic now, especially one involved in chairing a department or directing a research center, seems to more closely resemble that of a middle-rank executive in a business organization than that of an independent scholar or freelance teacher, while the work conditions of junior and temporary staff , in the limiting conditions, are comparable with that of a call center staff.[15] In addition, there is a new class of managers which does not participate in developing knowledge and educating students but supervises the efficient and effective use of human and non-human resources.

The university has been preoccupied today not with students making demands (as in the 1960s) but by the hydra-headed Wolf of management. The Wolf has colonized academia with a mercenary army of professional administrators, armed with spreadsheets, output indicators and audit procedures, loudly accompanied by the Efficiency and Excellence March. Management has proclaimed academics the enemy within: academics cannot be trusted, and so have to be tested and monitored, under the permanent threat of reorganization, termination, and dismissal.[16]

[13] John Ziman, *Real Science. What it is and what it means* (Cambridge: Cambridge University Press, 2000), pp. 56-82.

[14] Max Weber, "Science as vocation," https://socialpolicy.ucc.ie/Weber_science%20as%20vocation.htm.

[15] Collini, *What Are Universities For?*, 19.

[16] Willem Halffman and Hans Radder, "The Academic Manifesto: From an Occupied to a Public University," *Minerva* vol. 53, no. 2 (2015): 166.


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Not only the inner structure of an academic enterprise is affected by the spirit of 'state capitalist' enterprises; the very organization of education itself has been transformed by the obsession with metrics. This situation resonates with Weber's comment that the universities:

> especially the small universities, are engaged in a most ridiculous competition for enrollments. The landlords of rooming houses in university cities celebrate the advent of the thousandth student by a festival, and they would love to celebrate Number Two Thousand by a torchlight procession.... Almost everybody thus is affected by the suggestion of the immeasurable blessing and value of large enrollments.[17]

No wonder universities are prepared to close departments with too few students to balance the costs.

So can a university be organized and run as a business producing knowledge and providing educational services? Is it possible to combine academic values and business values into a unified and consistent whole? The answer to these questions is no. To explain our argument, we start by inquiring into the nature of a university.

**The university and the search for truth**

The Latin term *studium* appears in descriptions of medieval universities. In the Oxford Latin Dictionary,[18] *studium* is: (a) earnest application of one's attention and energy; (b) inclination towards a thing, desire; (c) enthusiasm, eagerness; (d) devotion; (e) partisan spirit; (f) an activity to which one devotes one's attention, a pursuit; (g) intellectual activity, the study of a particular object; (h) that which forms the object of one's interest, an aim or concern. The term "*studiosus*" reveals more intuitions: (a) actively interested in some practice, eager, diligent; (b) fond of or engaged in learning; (c) learned in a given field, an expert; (d) field of interests individuated by context; (e) warmly attached, friendly, devoted, a follower. If we put together those meanings, the university shows itself as an institution in which one eagerly and diligently devotes oneself to activities which allow for intellectual study of something and for learning to become an expert, as well as an institution in which one is warmly attached to others, is friendly and devoted to them, and in which one is a partisan of a cause. Thus, studying and learning become a way of life in the university. Further, since any study aims at discovering what things are and how things are, the simplest understanding of the truth as *adequatio intellectus et rei*,

[17] Weber, "Science as vocation."
[18] P.G.W. Glare, *Oxford Latin Dictionary*, 2nd ed. (Oxford: Oxford University Press, 2012).


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i.e., the conformity of intellect to reality finds a home at the university. By becoming a student then, one becomes a "partisan of the truth." Hence, both learning and studying, in their commitment to truth, require enthusiasm, diligence, steadiness, and many other virtues such as mutual friendliness and cooperation.

Thus, from the meanings of the term *studium*, the university, which originated from the *studium generale* in Medieval Europe, becomes a special institution where research and teaching are necessarily intertwined. The Magna Charta Universitatum, a document signed by the rectors of over 400 universities in 1988, confirms that principle: "Teaching and research in universities must be inseparable if their tuition is not to lag behind changing needs, the demands of society, and advances in scientific knowledge."[19] Any university which eliminates any of the two becomes mutilated: if there is no research, there is nothing to transmit and study diligently and enthusiastically. In the classical university, the formulated research results are taught as theses with a clear epistemic status—either true, probable, hypothetical, or undecided by current research standards. Fellow researchers, in turn, validate them either by pointing out a cognitive error or by raising a reasonable doubt. In this sense the university is governed by the ideal of the full truth.[20] Thus, truth as the foundational value of the university possesses a certain property which Tadeusz Styczeń calls 'the binding power'.[21] If this ideal is given up, the university becomes a mere consortium of specialist enterprises.

This ideal has important consequences for the organization of research and teaching. First, the structure of research is dictated by an object, not by interests of researchers or social needs. It does not mean that a university cannot undertake research responding to social needs, but it should be done along with—and not instead of—research as pursuit of the truth. There might be institutions which specialize in research driven by social needs; they would do science but would not be universities in the sense sketched above. Knowing how things are may also be interpreted as a social need. That is why astronomers study astronomy even if discoveries concerning remote galaxies do not promise any useful applications in any foreseeable future. Secondly, following the ideal of the full truth requires certain disciplines. Newman already observed in 1852 how:

> it is that the Sciences, into which our knowledge may be said to be cast, have multiplied bearings one on another, and an internal

[19] Magna Charta Universitatum, http://www.magna-charta.org/resources/files/the-magna-charta/english.

[20] Cf. Alasdair MacIntyre, *God, Philosophy, Universities: A Selective History of the Catholic Philosophical Tradition* (Lanham, MD: Rowman & Littlefield Publishers, 2009).

[21] Cf. Agnieszka Lekka-Kowalik, "Doświadczenie wiążącej mocy prawdy. Metodologicznie zasadny punkt wyjścia etyki jako nauki," *Ethos* 122 (2018): 346–363.

> sympathy, and admit, or rather demand, comparison and adjustment. They complete, correct, balance each other. This consideration, if well-founded, must be taken into account, not only as regards the attainment of truth, which is their common end, but as regards the influence which they exercise upon those whose education consists in the study of them.[22]

So, the relationship between objects of various sciences and the sciences themselves are fundamental to the university and that is why certain disciplines are indispensable: logic, methodology, and philosophy. These are disciplines we need to help us inquire and to learn how to inquire better. Many thinkers stress also the peculiar place of philosophy in investigating the mutual relationships and presuppositions of sciences.[23] No other scholarly discipline realizes this task; philosophy, therefore, is not just one discipline among others but an indispensable element of academic curriculum.[24]

## The Ethos of Truth

The truth being the "binding power" of the university grounds a directive: respect the truth, accept what is recognized as true and act in accordance with it. Thus, truth determines the ethos of the university. This is why universities hold plagiarism as unethical. From the point of view of the reliability of knowledge, the identity of a paper's author may not seem to matter much. And yet, it is agreed that plagiarism is a case of scientific misconduct. It is utter disrespect for the truth: you know that you are not the author but you claim as if you were.

The ideals of truth and open-ended inquiry show also why self-reform and criticism are inscribed in the nature of the university. Conforming to reality sometimes requires rejecting the most cherished views as well as developing new fields of studies. Thus, the classical university must continue reforming itself to keep up with "how things are." This is also why cooperation is necessary among disciplines and among individual universities. The ideal of the full truth may allow a "race to the truth," but not to the extent of a ruthless competition since what the university

[22] John Henry Newman, *The Idea of A University* (The National Institute for Newman Studies, 2007), http://www.newmanreader.org/works/idea.

[23] See MacIntyre, *God, Philosophy, Universities*; Władysław Stróżewski, *W kręgu wartości* (Kraków: Wydawnictwo Znak, 1992).

[24] MacIntyre adds here also theology. When criticizing American universities for treating philosophy and theology as one of—and if fact unimportant—disciplines he claims that "the contemporary secular university is not at fault because it is not Catholic. It is at fault insofar as it is not a university." Alasdair MacIntyre, "The End of Education: The Fragmentation of the American University," *Commonweal Magazine* (October 2006), https://www.commonwealmagazine.org/end-education.


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values is collaboration. A knowledge breakthrough or a new method developed by scholars of the university is celebrated and is communicated to academia and the public through conferences and publications.

On this account, we can thus identify who are the people of the university. They are not just specialists but creative personalities capable of asking new questions and discovering new aspects of reality. Tadeusz Czeżowski claimed that university education consists in an all-embracing development of personal abilities, especially independent thinking.[25] Independent thinking develops when one acquires intellectual and moral culture. The university fosters intellectual culture, according to Czeżowski, by providing students an understanding of scientific inquiry through studies of logic, philosophy, and methodology, as well as by developing skills in research methods and in reasoning and arguing properly. The intellectual culture makes a person sensitive to truth and falsity, correctness of thinking, and validity of arguments. One develops a 'logical conscience' which is the foundation of rational criticism; rational criticism, in turn, is a 'shield' against emotions, fear, biases, as well as the temptation to use tricks in a discussion. Thus, the intellectual culture cultivates the habit to think logically and reliably, to rise above dogmatic doggedness, to understand conflicting points of view that opens a path to rational tolerance. The development of intellectual culture is followed by the development of moral culture which nurtures personal and social virtues such as earnestness, faithfulness, methodical attitude, openness, rationality, persistence in searching for the truth, and courage to defend a view. Behind Czeżowski's analysis is the idea of culture in a Greek sense: *cultura* from *culere* which means cultivate. So, the idea is to cultivate the human person in order to develop human potentialities in such a way that the person becomes beautiful in the sense of the Greek word *kalon*. Such a person has an integral personality and is seen as an 'exemplar', someone from whom one is ready to learn and seek advice. Forming integral, creative personalities is a consequence of the ideal of the full truth.[26]

Now, do universities today still serve as described above, that is, fostering intellectual and moral cultures through a commitment to the full truth? Or have they become one of many business firms playing in the market?

[25] Tadeusz Czeżowski, *Pisma z etyki i teorii wartości* (Wrocław: Zakład Narodowy im. Ossolińskich, 1989).

[26] Medieval universities were described as: (1) the *universitas litterarum*, the goal of which was to investigate all aspects of reality in order to build a consistent and well-justified view of the universe, and to teach all sciences (the Latin term *scientia* includes disciplines now in English called *science,* as well as the humanities, philosophy, and theology); (2) the *universitas scholarum et magistrorum*, which is a community of teachers and students; and (3) the *officina humanitatis*, i.e., metaphorically speaking, a workshop of personhood.


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**Consequences of turning a university into a business**

In order to answer the above question, let us start from a definition of a business firm. *Investopedia* defines firm as "a for-profit business organization—such as a corporation, limited liability company (LLC), or partnership—that provides professional services."[27]

This definition is sufficient to present a case. Like a firm, a university is an organization. Its professional services are the production of knowledge and innovations as well as social and educational services, like research and teaching. In order to be successful, its products and services must be marketable, that is, a university firm must produce pieces of knowledge and/or offer courses which people can pay for. In such a case, research and teaching are no longer necessarily intertwined. In fact, the difference between research universities and professional universities relies on the separation of the two. The ideal of the full truth as the principle governing research and education is then replaced by the ideal of social demand and economic calculations. An institution built on that principle is not a university in the sense explained above. In addition, the measure of success it upholds is no longer the cultivation of intellectual and moral culture but profit and the main value it adheres to is not any more truth but client satisfaction. Satisfaction is then the grounding principle of the relations between service/product provider (professors) and clients (students), and 'client satisfaction' is the criterion of quality for a product and criterion for excellence for the university firm.

The principle of satisfaction does not ground a community on a common goal for the goals of providers and that of clients might be different as, for example, a student might come to a university just to get the diploma required in job placements and a professor might only want to teach to pay his rent or luxuries. In a business firm, what Gabriel Marcel calls 'availability,' i.e., being ready to serve not because you are paid for but because of the cause itself, disappears.[28] Since greater profit from client satisfaction becomes the ethos within a firm, there seems to be no reason for such availability in university businesses. The relation between students and professors changes as a consequence; a professor no longer has duty to become an 'exemplar' for his students but a specialist who, as Weber would say, "sells me his knowledge and his methods for my father's money, just as the greengrocer sells my mother cabbage".[29]

As mentioned earlier, the classical universities' "race" for discoveries and achievements enriches the academic community through the sharing of ideas and

[27] Will Kenton, "Firm," in *Investopedia*, https://www.investopedia.com/terms/f/firm.asp.

[28] Gabriel Marcel, *Homo Viator: Introduction to a Metaphysic of Hope* (Chicago: Henry Regnery Co., 1951), 23.

[29] Weber, "Science as vocation."


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honest criticisms. On the contrary, in a university firm, sharing and criticizing of ideas are unwelcome. Competition becomes the principle that guides knowledge managers in a university to control the efficiency of resources, return of investment, and improvement of performance to achieve higher ratings in evaluation. Researchers are no longer responsible simply for the reliability of knowledge; they are also accountable to university managers to achieve desirable insights. Willem Halffman and Hans Radder consider this to be a colonization of universities.[30] In the colony, academics are the 'native people'—they are not trustworthy, so they must be constantly motivated and monitored and must show that they are better than other academics. Competition among knowledge producers (both among individual researchers within one university and among universities) is in turn expected to improve the quality of knowledge and reduce the costs of knowledge production. Many thinkers, including Halffman and Radder, believe that this approach destroys the fragile fabric of the scientific community. A scientific community is not the same as an association such that it is completely different from a group of hairdressers or car sellers.

Colonization happens also in education. Universities compete with other education-providing institutions by constructing better offers. And these "better offers" do not necessarily mean higher quality of courses. Universities now offer parking spaces, kindergarten for students' children, easier or fewer courses to obtain certificates or diplomas, cheaper tuition, lecturers with rockstar status. There seems to be no limits on the creativity of the university manager motivated by client satisfaction and there are many sources of satisfaction not necessarily connected to an intellectual or moral culture. Thus, building creative integral personalities is not exactly part of the mission of a university firm. University firms offer what the market demands and the notion of an 'educated mind' is not exactly marketable.

Steve Fuller observes that, in the so-called knowledge society, what we witness is not the increase of the significance of knowledge but the collection of educational qualifications.[31] A university firm does not ask what goals a client wants to achieve; in this aspect, it is value-free and therefore cannot include the formation of personality into its offer. In the university firm, one is formed within the culture of effectiveness which is different from the culture of serving the truth. Thus, a classical university and a university firm are completely different. In the classical university, the truths discovered and transmitted show the quality of an institution; whereas in the university firm, such quality is attained through the number of clients it seeks to recruit.

[30] Halffman and Radder, "The Academic Manifesto."

[31] Steve Fuller, "Can Universities Solve the Problem of Knowledge in Society without Succumbing to the Knowledge Society?" *Policy Futures in Education* vol. 1, no. 1 (2003): 106–124.


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**University in crisis: The Philippine experience**

The crisis that afflicts universities in Europe and North America, a crisis resulting from the encroachment of the market into the academe, is also felt in Asia. Take the Philippines as an example.[32] Back in the post-martial law years of the 1980s, student activists had already deplored what was then an emerging spectre haunting the Philippine educational system—the so-called "commercialization of education."[33] In an effort to salvage an ailing economy, the government then, under the rule of the president-dictator Ferdinand Marcos, made concessions with the World Bank to liberalize Philippine economy which meant privatizing some of the state's core public functions, including education. The commercialization of education referred not only to the interventionist maneuverings of global financial institutions but also to the drastic liberalist turn of Philippine education. What legitimized this new state of affairs was the Philippine Education Act of 1982, which effectively restricted access to university education to the moneyed few as it also converted the universities' educative goals to aims that are more pliant to business interests. In one swift move, the flood gates for the corporate take-over of the Philippine education system were opened.

The Education Act of 1982 has since been updated with the passage of the Enhanced Basic Education Act of 2013 as well as implementation of its counterpart, the Roadmap for Public Higher Education Reform of 2012. Proponents touted these state policies as enhancements of Philippine education system. At the surface, they do appear as such, given the propaganda value of expressions such as 'global,' 'competitive,' or 'labor market' that usually accompany any discussion of these policy initiatives. At the core however, the so-called enhancements are but mere reinforcements of the same policy direction set in motion by Education Act of 1982, that is, the subordination of education to market imperatives. One sees this in the language in which the act is written, specifying as it does the aims "to rationalize higher education, improve its internal and external efficiency, optimize resource utilization and maximize resource generation."[34]

That this has become the new normal for education in the Philippines is attested by the recent developments in the education landscape. The decision of

[32] See also Villegas, Edberto M. 'Liberalism, Neoliberalism and the Rise of Consumerist Education' and Raymundo, Sarah, 'The Symptom Called Marketisation.' *Mula Tore Patungong Palengke: Neoliberal Education in the Philippines*. Bienvenido Lumbera, Ramon Guillermo & Arnold Alamon (Eds.) Manila: IBON Philippines, 2017, pp. 19-30, pp. 31-41.

[33] Nelson Flores Forte, "The Philippine education system today,", https://www.manilastandard.net/opinion/columns/everyman/139486/the-philippine-education-system-today.html.

[34] Roadmap for Public Higher Education Reform, https://ched.gov.ph/roadmap-public-higher-education-reform.


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the government to pass on its civic duty to educate its own citizens to corporate entities has allowed economic interest groups to take advantage of a situation and turn it into a business opportunity. At the level of high school education, this means fundamentally transforming secondary schools into money-making centers operated mainly for business considerations.[35] The same consequence occurs in the domain of higher education. Universities have ceased operating as an academia, that is, as *universitas scholarum*, and have become mere extensions of corporate organizations for research and training development. In the Philippines, this dramatic crossover of the universities into the business arena is shown in two ways. The first, and probably the most apparent, is the takeover of a number of universities by some of the leading Philippine business conglomerates. Since 2002, these corporate groups have been on the buying spree of colleges and universities within and beyond Manila, the capital city.[36] These schools for profit are recognized under the Tax Code of the Philippines as "proprietary educational institutions," a specie of university conceived and designed specifically for taxation purposes. That universities could be established for the principal goal of churning out income for its proprietors and for the government clearly exhibits not just the outcomes of the liberalization of education but also the extent to which the academe-market transference has been normalized.[37] Given this climate, it becomes difficult to ask what really constitutes the *raison d'etre* of universities on account of a culture which reduces the academe to a service unit either of business or of the labor market.[38] There indeed is a huge chasm that separates business from the academic domain. It is not as if professionalization or career development cannot be a part of the ends of higher education. Nor should it be construed that the academe is free from financial interests. The well-being of the faculty and office staff, after all, not to mention the long-term scientific, cultural, and intellectual goals of the academe, depends a great deal on the stability of the university's capital resources. What is at issue therefore is not so much the instrumental value which universities assign to capital, but the tendency of the market to undermine and re-create the universities' identity after its own image.

[35] Curtis B. Riepp, "Commercialization of education in the Philippines," *Worlds of Education*, https://www.worldsofeducation.org/en/woe_homepage/woe_detail/4544/commercialization-of-education-in-the-philippines.

[36] Raul J. Palabrica, "'Big business' in education," *Inquirer.Net*, https://business.inquirer.net/250430/big-business-education.

[37] David Michael M. San Juan, "Neoliberal Restructuring of Education in the Philippines: Dependency, Labor, Privatization, Critical Pedagogy, and the K to 12 System," *Asia-Pacific Social Science Review* vol. 16, no. 1 (2016): 80–110.

[38] Butch Hernandez, "The roadmap of reform for higher education," *Inquirer.Net*, https://opinion.inquirer.net/54571/the-roadmap-of-reform-for-higher-education; Dante B. Canlas, "Promoting inclusive growth through higher education," *Policy Notes* (March 2016), https://pdfs.semanticscholar.org/4280/56502c34e7d851369085a9a476f1ec33b6d5.pdf.


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This point leads to the other consequence of the market's encroachment into the academe, a consequence which concerns no longer the intrusion of business from the outside but the collapse of academe's core from the inside. The question of whether the university should preserve its classical identity or transform itself into a docile corporate surrogate emanates from this problem. Confronted with the challenge to keep themselves afloat on one hand and the prospect of higher financial returns on the other, local universities, via the agency of the government itself, become an easy prey to the predatory schemes of academic capitalism.[39] The framework of what the universities should be, especially in this age of an ever expanding consumerist interweaving of economics, politics, science, and technology, is derived from the culture propagated by academic capitalism.[40] The market, in the guise of its alternate 'academic' labels—research development, innovation, global ranking, accreditation, impact factor—becomes the new global norm against which academic institutions must measure themselves and with whose imperatives they necessarily must conform if they wish to stay in the game. As a consequence, worldviews on education have since been dramatically altered evidenced, for example, by the displacement of the traditional understanding of civilization by 'knowledge economy;' of education by 'competency' or 'upskilling;' of purpose by 'outcomes;' of research by 'productivity;' of the academe by 'entrepreneurial university;' Concomitantly, it has likewise become customary, conditioned no less by the market regime, to refer to students as 'clients,' faculty members as 'academic staff', and the academic community itself as a network of 'stakeholders.' This radical transformation of the academe's stature no doubt lends credence to Gadamer's insights on the apparent disproportion between the 'developmental law of our civilization' and the inherent value of education, hence the observation that "the place of the 'academic world' within the whole society has become doubtful"[41] Stripped of its autonomy and the reputation it used to enjoy as a protected intellectual sphere, the university has since become a management concept and education itself a mere process that requires administrative streamlining and alignment with the global market standards. In this context, the role of the Humanities, which used to be central to the university's task as a custodian of culture and civilization, has been largely re-articulated and re-appropriated for a different set of purposes put in place by the school management in keeping with aims which mirror rather closely the agenda of corporate giants and industries. As Readings put it *The University in Ruins*:

[39] See Sheila Slaughter and Larry L. Leslie, "Expanding and Elaborating the Concept of Academic Capitalism," *Organization* vol. 8, no. 2 (2001): 154–161; Edward J. Hackett, "Academic Capitalism," *Science, Technology and Human Values* vol. 39, no. 5 (2014): 635–638.

[40] Derek Bok, *Universities in the Marketplace: The Commercialization of Higher Education* (Princeton: Princeton University Press, 2003).

[41] Hans-Georg Gadamer, *Hans-Georg Gadamer on Education, Poetry and History*, edited by Dieter Misgeld and Graeme Nicholson (New York: State University of New York, 1992), 50.


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> there is no longer any idea of the University, or rather that the idea has now lost all its content. As a non-referential unit of value entirely internal to the system, excellence marks nothing more than the moment of technology's self reflection … refers nothing other than the optimal input/output ration in matters of information.[42]

The ontological crisis that plagues universities today is a global phenomenon. If European and North American universities see in this crisis a serious predicament, the same quandary also haunts academic institutions in developing countries like the Philippines, perhaps to an even worse degree. On account of the Philippines' greater vulnerability to all sorts of economic instability, the view that higher education should embrace the market and should direct itself to purely economic ends has acquired some level of legitimacy inside and outside the academe. Given this reality, it comes not as surprise if one reads of higher education in the Philippines described as an "investment" and the academic degree as a passage towards "career pathways" that would lead students and scholars alike to "industry practice and market participation."[43] Not everyone of course is happy with this detour, prompting a local scholar to decry how, in the Philippines:

> Universities are now being run as if they are corporations or, worse, factories, and as such, they must accelerate the same way as corporations and factories. TQM/QA is preoccupied with the regulation of production hiccups or artificial accidents that derail production efficiency—in other words, "crisis management."[44]

As things stand, Philippine universities find themselves in a bind, caught between the task of doing their share for national development and the risk of getting themselves taken over by the market-sponsored managerial culture.

## Conclusion: A call for cultural ecology

As the example above shows, turning universities into business-like institutions has consequences. Subjecting a university to business values and principles changes its inner organization and its relationships with other social systems so much so that it distorts the university. In a university firm, neither good research nor good teaching is valued as much as good client satisfaction. Nonetheless, there are various authorities within the university, such as a ministry, which value 'objective excellence'

[42] Readings, *The University in Ruins*, 32.

[43] Clarita D. Carillo, "Higher education in the Philippines: In transition," *QS WOW News*, 10 October 2017, https://qswownews.com/higher-education-philippines-transition .

[44] Paolo A. Bolaños, "Speed and its impact on education," *Inquirer.Net*, https://opinion.inquirer.net/124900/speed-and-its-impact-on-education .

regardless of client satisfaction. There still seems to be a remnant of the idea of a classical university serving the full truth and educating creative personalities. If this is correct, a contemporary university suffers from an "ontological split," trying to be a classical university and a business at the same time. However, as we have argued above, the values and principles of the two institutions cannot be integrated into a consistent whole.

Some authors claim that in the contemporary globalized world, universities cannot escape marketisation.[45] The hegemonic reach of the market exempts no one and does not stop until most, if not all, things are converted to its own logic and order. With the promise of its version of progress, this totalizing offensive allows the market to ram its way through various institutions, the academe included. The hype and the beguiling aura of acceleration leave the universities with no other options except to "go with the flow." Two questions then arise.

Should we call these new institutions universities? The term "university" is a value-laden term, its value stemming from the prestige of the classical university. Is it justified to use the term "university" so broadly as to cover all knowledge-producing and education-providing businesses? As we have argued above, the classical university and a university-firm are in fundamental respects inconsistent. Contemporary universities are no longer universities in the classical and ideal sense of the term. Thus, a kind of self-reinvention is an inevitable choice that the contemporary "business-minded" university will have to make to secure its cultural and historical relevance. The extent and the manner of this self-reinvention remain open-ended. The principles and virtues, however, that should guide its decision are well entrenched in the same enduring tradition that sustains and animates the very idea of a university and what it should be.

The identity crisis which saddles universities in Asia, Europe, and North America, poses a more general question that becomes more pronounced when seen through the lenses of a developing country like the Philippines, where economy is experienced more as a lack rather than a surplus. In a country where the lives of most people are held down by massive poverty, the idea of a university is as problematic as the idea of public good whose attainment the university is believed to have a major stake. And so with the question, "What is a university?" one may also ask the question, "What constitutes public good?" The question about the nature of a university acquires thereby an ethical character. And this is a question which should be considered with the university as the main locus.

[45] Cf. Rinne Risto and Jenni Koivula, "The Changing Place of the University and a Clash of Values: The Entrepreneurial University in the European Knowledge Society," *Higher Education Management and Policy* vol. 17, no. 3 (2005): 87–122.


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The second question is: Are classical universities still necessary? Maybe they are just passé and those who express deep concern about the process of them morphing into market-driven knowledge enterprises are longing for "things past." Yet, there are reasons for maintaining classical universities in society. The first is that the university is a bastion of disinterested search for the truth, and this search is based on the presupposition that we are able to acquire truth, that not everything is a matter of taste and opinion, of construction and choice; that solving problems is a matter of inquiry and argumentation, not influence and power. The second reason is that classical universities play an important role in setting the criteria on what science/knowledge should be.

We declare ourselves cultural ecologists. As we invest money and effort to protect natural species, we should also protect 'cultural species'. In fact, we do so by supporting, for example, certain fading professions, such as hand weaving of carpets, even if machines render carpet-making quicker and cheaper. The university is an important species in the cultural environment and it is worthwhile to defend its existence, even if other knowledge-producing and education-providing institutions are developed. If we admit that the university in classical sense provides public good, a practical question appears: What role must the university assume in order to ensure that neither the determination of what the university should be nor the achievement of public good does not become a sole prerogative of the market? The change of university into a business is a substantial change in a metaphysical sense, and if we admit that universities play a culture-creative role, then a change of culture is also needed. Geoffrey Boulton and Colin Lucas, in a position paper they penned for the League of Research Universities, titled "What are universities for?" wrote: "… universities are not enterprises with a defined product with standardized processes required for its cost-effective production."[46] They claim that qualities that we prize in universities are by-products of deeper functions of the university and that "there is a danger that the current approach to universities is undermining the very processes that are the source of those benefits so cherished by government."[47] Maybe then we should find our collective voice to defend the classical university. PS

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