Hegemony, big money and academic independence

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This article considers whether a threat is posed to academic independence in corporate universities by the United States Studies Centre (USSC) at the University of Sydney. The USSC rapidly worked its way into Australia’s oldest university, building a unique governance structure in which a private business lobby vets senior academics and controls the Centre’s finances. Despite a secret management agreement, the aims, control mechanisms and some of the outcomes of this project are fairly plain. The Centre has undermined academic independence, dressed up the business lobby’s agenda as ‘normal’ academic activity, and has raised broader questions about the capacity of the corporate university to manage conflicts of interest.

Academic independence is uncertain in the age of the corporate university. A central ethical problem is that, as with neoliberalism in general, the corporate institution sees no real conflict of interest between private interest and public purpose. These conflicts, unseen or disregarded, can work their way into institutional structures and become thoroughly ‘normalised’.

Such is the case with the United States Studies Centre (USSC), established at the University of Sydney in 2007. Created with the specific purpose of countering Australian fear and criticism of the United States of America following the invasions of Afghanistan and Iraq, Australia’s oldest university rapidly compromised its normal governance structures. It allowed a private business lobby group, the American Australian Association (AAA), to exercise unique control over the Centre’s finances and academic appointments. University managers have kept secret the detail of the AAA’s management powers under ‘commercial in confidence’ claims. The effect of this has been to contribute to a mostly servile and uncritical discussion of the world’s declining superpower, at a time of war and economic crisis. This constitutes a powerful blow against academic independence, when corporate persuaders are highly active. In the US itself, there have been moves to ‘protect students from liberal political bias in the classroom’ and to restrict academic research that might threaten the vision of a ‘New American Century’ (Allen, Deeb & Winegar 2005).

University of Sydney managers argue that the Centre’s association with reputable academics, and backing from the University’s Senate and its executive managers, maintains sufficient safeguards to protect academic independence and guard against possible conflicts of interest (Spence 2009). This ignores deeper structural problems. Various types of sponsorship have become embedded in the Australian university system in recent decades, though less strongly in the social sciences. In context of the social sciences in times of war, writers have noted earlier threats to, but the vital role of, academic independence (Williams 2006: 15-17). The neoliberal context and the
peculiar corporate nature of Australian ‘enterprise universities’ has been addressed (Marginson & Considine 2000), and it has been observed that neoliberalism embedded in such institutions ‘channels and limits academic freedoms’ (Marginson 2006). Research income is already far more highly valued in Australian government support schemes than actual published research, making income an end in itself, while the elevation of sponsorships and consultancies tend to ‘favour predetermined outcomes’ in the constitution of knowledge (Thornton 2008: 5-6). The changes brought by the US Studies Centre are in many ways continuations of these broader forces; yet through its secret, devolved management provisions and direct subordination to a corporate lobby the Centre represents a naked threat to academic independence, displaying the brute force of hegemony and big money.

This article considers the threat posed to academic independence by the USSC, through the lens of a simple but important ethical problem – that of controlling conflicts of interest and preserving academic independence in the corporate university. It charts the creation of an openly partisan body at the University of Sydney, explores the serious departure from university governance structures in accommodating the Centre and notes some of the outcomes of the project.

Creating a partisan body

The founding aim of the centre was no secret. Rupert Murdoch - despite his decades-long domination of the Australian media and his use of that power to promote a corporate, pro-US agenda - was alarmed at ‘anti-American’ prejudice in Australia. A 2005 Lowy Institute opinion poll had found, in the context of the bloody Iraq war, that as many Australians (57 per cent) feared ‘US foreign policies’ as feared ‘Islamic extremism’ (Cook 2005: 13). Murdoch is reported to have told colleagues in the New York based American Australian Association (AAA), a private business lobby drawing together corporate executives and former politicians) ‘this is ridiculous, what are you blokes going to do about it?’. Within a matter of months the AAA had ‘sold the idea for a [US Studies] centre to the Howard Government’ (Lane 2007). A$25 million of public money was committed to the project, with the AAA as trustee. In a press release from New York the AAA welcomed the Howard Government’s move, saying the centre would ‘deepen the appreciation and understanding of the United States’ culture, political climate and government’. Chairman of the Australian affiliate of the AAA, Mr Malcolm Binks, said the US Studies Centre would be ‘a major extension’ of the AAA’s existing ‘privately-funded education program’ in Australia. ‘We have the strong support of Association patron Rupert Murdoch and our Advisory Council and we believe that the Centre will become a major contributor to the deepening relationship between our two countries’ (AAA 2006a). Additional but unspecified private donations would supplement the Australian government grant. Former politicians from both the Labor and Liberal parties endorsed the Centre. It is testament to the AAA’s influence over the state that it both initiated and assumed control of a mostly public-funded project. Politicians of all stripes were well aware that Murdoch’s media and investment network allowed him to make and break political leaders. Further, the Howard Government had already tackled the question of ‘anti-Americanism’ in wartime Australia, through directing an inquiry into the supposed ‘bias and anti-American coverage’ of the Iraq war, in certain of the ABC’s radio programs (ICRP 2003). Defending the image of the US was a willing collaboration.

By November 2006 the University of Sydney had emerged from the pack victorious, successfully linking itself to the promised A$25 million, and perhaps more after private donations. There had been tenders from other leading Australian universities, including Melbourne and ANU, and Sydney’s Vice-Chancellor Gavin Brown announced: ‘This is a centre for all of Australia … there’s never been a more important time for Australians to develop a better understanding of the United States, its people, its government and its society’. The Centre would focus research on the core themes of ‘power and democracy, wealth creation and rights protection’ and ‘American thinking’. These themes had been decided on ‘after consultation with academic and business advisers in the United States and Australia’. Some ‘highlights’ planned for 2007 included: opinion polls on ‘what Australians think about the United States’, a ‘national summit’ on US studies and a ‘classic American film’ festival (University of Sydney 2006). The 2007 film festival did not eventuate; perhaps someone discovered that US film and television already saturated Australia; later in 2009 the Centre did provide some sponsorship for the Sydney Film Festival.

Rupert Murdoch’s role was celebrated at an AAA dinner in Sydney, held to launch the USSC. He was explicit about the ideological task facing the Centre:
‘Australians must resist and reject the facile, reflexive, unthinking anti-Americanism that has gripped much of Europe … Australian sentiment is thankfully nowhere near Europe’s level of hostility – but it could get there; and it mustn’t.’

A key supporter of the Iraq invasion, Murdoch predicted that the Centre would ‘raise awareness, dispel myths, groom new leaders’ (Fife-Yeomans 2006). To make the point absolutely clear, retired Liberal MP and AAA member Michael Baume warned that his group would pull the funding ‘if the Centre succumbed to the anti-American prejudice endemic in Australian universities’ (Lane 2007).

Local resistance to the Centre was weak, particularly from academics. Some students at the University of Sydney briefly protested. The postgraduate union saw opposition to the Centre as part of the anti-war movement, as well as a defence of ‘academic freedom from corporate influence’ (SUPRA 2007). The AAA was alive to the anti-war link, as its Western Australian branch responded to criticism from the academics union:

The anti-war group, the NTEU (National Tertiary Education Union) has slammed the American Australian Association of NSW claiming that it has placed undue pressure on the Sydney University in accepting AAA funding [sic] for its US Studies Centre … The union states that AAA “seriously challenges the ability of university staff to exercise academic freedom” … The union is conducting anti-war, anti-US, and anti-Howard rallies in every capital city of Australia. The Diplomatic Security Service is monitoring the group’s activities very closely’ (AAAWA 2007).

Criticism of the Centre, as of the Iraq war, was apparently seen as a matter of state security.

**Governance to order**

It is hardly surprising that the big powers demand support for their image enhancement. What is remarkable is how such operations get ‘normalised’ within academic institutions.

After the University of Sydney won the Government-funded but AAA-managed tender a board, an academic advisory committee and a panel of academics was assembled. The USSC Board Chair was the AAA Chairman, Malcolm Binks, while most of the rest were retired corporate executives or politicians. Other than the newly appointed CEO of the Centre, there was only one other academic on the board, the University Provost. The Academic Advisory Committee was more diverse, but clearly had little power. The AAA was firmly in control. Academic Robert Manne noted that the AAA had been placed in ‘the driver’s seat’, by securing a majority on the Centre’s Board:

‘The Board not the University would make the key appointments. The Board not the University would control the funds … There was not the slightest pretence that the Centre enjoyed academic freedom, as over the past century or longer that idea has been understood (Manne 2007).

He also noted the lack of academic criticism.

The Centre set up shop in 2007 with a visitor and small grants program, developing a Master of US Studies degree, which began in 2008. Undergraduate subjects were planned for 2010. The Centre is led by Geoffrey Garrett, an Australia-born academic with some experience in Europe and the US. He has a respectable list of publications on globalisation and institutional politics, and confidently describes himself as ‘among the most influential political scientists of his generation’ (Garrett 2009). His publications have included qualified support for IMF privatisation policies (Brune, Garrett &Kogut 2004), and a longer reflection on “how the costs and benefits of globalization have been apportioned around the world” (Garrett 2004a and 2004b).

Academics at the University of Sydney were invited to associate themselves with the Centre and teach units of study. Given that there were no immediate benefits to this, it is curious why so many did. Perhaps they hoped their association would look good in promotion applications? Maybe academics, being a fairly conformist lot, just want to please their institution? It was certainly true that the Centre, with its big money and high profile sponsors, was seen as important by university managers.

Alarmed by the implications for critical study of the United States, I wrote to the Vice-Chancellor, asking him ‘what specific conflict of interest principles apply to the University’s accepting money’ for projects such as the USSC, and what specific process was followed when setting up the Centre, so as ‘to avoid conflicts of interest and to protect academic independence’.

Dr Spence replied that, while initial discussions took place under his predecessor Gavin Brown, when he arrived he had been ‘very impressed with the quality of the academic and outreach activities of the Centre and the impact they are having on scholarly and public discussions in relation to the US’. Provisions relevant to my questions, were contained in ‘a formal Agreement between the University and the American Australian Association’. These included:
‘First, all academic staff employed to work in the USSC are employed by the University and seconded to the Centre. The terms and conditions of their employment are the same as all University academic staff … Second, all academic staff employed by the USSC have and will continue to be selected through the University’s normal provisions for the appointment of academic staff … Third … an Academic Committee has been established ‘to ensure objectivity, quality and independence of scholarly activities’ (Spence 2009).

With the academic advisory committee and scrutiny ‘at a very high level’, the proposal for the Centre had received ‘strong support by the Senate and Senior Executive Group of the University’. In relation to what conflict of interest and academic independence principles applied, the Vice-Chancellor simply added that such matters were ‘outlined in a variety of documents’ which could be found on the University’s website (Spence 2009).

The University’s Strategic Plan for 2007-2010 does contain a section called ‘Our Vision and Values’, but all three of its ‘aspirations’ concern competitive rankings, while its ‘values’ include a range of adjectival nouns but not ‘academic independence’. The ‘Core Purpose’ of the University did indeed mention ‘academic freedom’, but mixed this seamlessly with ‘human aspirations and a practical business sense’. The only ‘conflict of interest’ provisions appear in two formal statements which set out ‘the university’s expectations of its staff and affiliates’, that is, in relation to individual behaviour (University of Sydney 2010a, 2010b). Expectations of the corporate university in relation to conflict of interest appear to have been left uncodified and thus a matter for determination by managers and governing bodies. However one principle concerning individual staff conduct in relation to ‘gifts and benefits’ is worth noting: ‘gifts may be accepted only if the recipient is satisfied that they cannot be compromised, or be seen to be compromised, by doing so’ (University of Sydney 2010a: s.8.). While the term ‘academic independence’ is mentioned in discussion from time to time, it does not appear to be enshrined in any formal statement of principle.

I asked for a copy of the formal Agreement between the University and the AAA, but was told this was not possible as ‘the University Host Agreement between USyd and AAA is commercial-in-confidence and not publicly available. It is not for release’ (Gerrie 2009). A further enquiry confirmed the secrecy of this agreement: ‘The commercial-in-confidence agreement between the University and the American Australian Association determines how funds are provided to the Centre. Your questions relate to how those funds are expended and that has been clearly answered’ (Nutbeam 2009).

Fortunately, the management concerns of the AAA can be read from its tender document, which is publicly available. Prepared before the University of Sydney had won the bid, the document sets out a number of clear principles on proposed management and the role of the AAA (2006b). The business lobby makes it clear that, not only will it select a University to host the Centre, it will also control the annual release of funds to the Centre ‘in accordance with an initial 5-year agreement between the University and AAA Australia’. The AAA will ‘oversee the endowment that is being put together to provide permanent funding for the Centre’ and will carry out an evaluation of the Centre’s activities in 2012 (AAA 2006b: 2). On ‘governance’, the Centre will have a separate governing body with ‘absolute transparency’ and a ‘high quality governing board’.

The appointment of the CEO and senior staff … will only be made after close consultation between the host university and AAA Australia. The tender document repeats the claim - negated by subsequent privacy provisions invoked by the university - that ‘there will be a clearly transparent relationship between the host university and the USSC’ (AAA 2006b: 5-6).

Privacy provisions mask what private money, if any, is involved. The main public commitment is the federal government’s $25 million, most of which is apparently to be invested so that its income stream can be used for recurrent funding. The host university wears most of the capital costs as it is expected to ‘acquire, renovate or extend buildings to house the Centre’. Nevertheless, the website and the domain name of the Centre ‘will be held by AAA Australia and licensed to the Host University’ and the University is to be required to submit ‘annual and other’ reports, ‘as well as audited financial statements’ to AAA Australia (AAA 2006b: 6, 8, 10). It is fair to suppose that most, if not all, of these key concerns made their way from the tender document into the management agreement. The Centre has hardly been subsumed into the normal governance structures of the University of Sydney.

From the privacy provisions we can conclude that the AAA’s claim to be constructing a governance structure of ‘absolute transparency’ has turned out to be false. From the tender document we can reasonably conclude that the secret management document will have replicated the demand for all senior appointments to the Centre to be made only after ‘close consultation’
between the university and AAA Australia. Of course, the Chair of the AAA is also Chair of the Centre and academics of any sort are a minority on the Board. So the Vice-Chancellor’s claim that the Centre’s academic staff are being selected through the University’s normal provisions for the appointment of academic staff’ might also be questioned. In addition to vetting all senior appointments, the private lobby group has demanded detailed and annual accountability of the University, on top of the five year review, and clearly holds the purse strings as well as the intellectual property associated with the Centre. The University provides a cloak of intellectual legitimacy for the project, but the private lobby group holds the reins and has positioned itself to move the Centre elsewhere, if dissatisfied.

**Critical understandings?**

In practice, such management controls might never be used. In the first place, vetted senior managers know what is expected and others second-guess it. Secondly, a degree of ‘normal’ pluralism can quickly mask a partisan body. Money also buys acceptance. Doling out grants to academics for a range of research projects (on such topics as comparative social policy, Civil War America, US markets, American English, US education policy) is a sure way to placate the academic masses.

The United States is a huge and complex country with many remarkable social and cultural features. It deserves study, but not uncritical study. The US is also a dominant power that has denied its imperial status, and has often engaged in appalling brutality and repression, repeatedly violating international law (see e.g. Blum 2000). This is a country, like previous empires, that regards itself above laws that apply to others. Yet revisions of the official self-image - that of a benevolent hegemony which promotes ‘freedom’ and universal rights - are often met with fear and hostility. Certainly the corporate media does not give space to such critical views. On a daily basis they promote important elements of the dominant ideology: the need for military intervention, privatisations and corporate privilege. As a result of this powerful normative process, critical views of the US can even strike young Australian students as ‘biased’, simply because they are critical. And despite the popular rejection of each new war, pro-US views are well entrenched. For example Wikipedia, an online encyclopaedia which reports a ‘consensus’ of corporate media sources, does not include any of the 20th century activities of the USA under its entry on ‘imperialism’, nor anything on the Marxist views of imperialism as an exercise in economic domination. In other words, there is a great deal of acculturation and self-censorship in English speaking cultures, even before we come to new institutions dedicated to backing hegemonic ideology.

For all these reasons, the raw nerves of our ‘single super-power’ are likely to be soothed by the activities of the US Studies Centre. But what of critical understandings, in the Australian academy? The Centre threatens these, not so much by its support for the ‘safer’ areas of research (though these tend to privilege US-centric views of the world), but by excluding important critical voices and privileging the ‘embedded academics’: that group of intellectuals which have become fairly seamlessly integrated into the US state and corporate power structures.

To get a sense of the Centre’s actual ‘pro-American’ bias, let’s start with its visiting scholars. Of the 46 listed visitors for 2007-2009, I could only find one who was a notable critic of US foreign policy. Journalist James Fallows, though not a radical, has published extensively against the Bush Administration’s war in Iraq. By contrast, one third of that group (16 of 46) have worked substantially for the US or Australian governments (USSC 2010b). On top of that, several are members of conservative US think tanks and three more have been prominent in the US corporate media.

Francis Fukuyama, for example - famous for proclaiming the ‘end of history’ when the Soviet Union collapsed, and then for joining those who asserted that ‘the world had changed’ after the events of 11 September, 2001 – was a prominent member of the neo-conservative ‘Project for a New American Century’. This group wrote to President Clinton in 1998 and to President Bush in 2001, urging them to invade Iraq and remove President Saddam Hussein from power (History Commons 2010). Fukuyama later split from the pro-Bush group, but remains a committed advocate for world-wide US ascendency. He chairs the executive committee of *The American Interest* journal, which continues to press ‘New American Century’ arguments (e.g. Kurth 2009).

Other visitors to the Centre (USSC 2010b), like Fukuyama, bring with them the assumptions of the US elite. Clifford May has been a leader in two conservative think tanks, the Foundation for the Defense of Democracies, and the Committee on the Present Danger. Peter Gourevich, a Harvard academic, is a member of the conservative Council on Foreign Relations (CFR), which
publishes Foreign Affairs. Jonathan Pollack is a former member of the CFR. Barry Jackson, was an adviser to President GW Bush. Jeffrey Sachs was a former World Bank ‘shock therapy’ economist, and prominent advocate of the ‘Washington Consensus’. Jim Johnson was a democrat party strategist, while Robert Lawrence, now a Harvard economist, was an economic adviser to President Clinton. Peter Scher is a former US trade diplomat and more recently an executive with JP Morgan. Anne-Marie Slaughter is Princeton academic now on leave to work for the Obama Administration, while Harriet Mayor Fulbright has worked extensively in the US Government. From the US corporate media we have Australian-born Robert Thomson, the Murdoch-appointed Managing Editor of the Wall Street Journal, Mike Chinoy from CNN and Michael Parks who was an editor for the Los Angeles Times.

From the point of view of the AAA, such connections probably qualify such people as academic visitors. From the point of view of critical understandings of US foreign policy, it is another story. The group brings a surge of predictable homogeneity when it comes to views of US power and, in particular foreign relations. Where are the prominent critics, whether from within or without the US?

It may not be surprising to find that the Centre’s teaching program does not seem to include studies on US imperialism, or contemporary neo-colonialism. Instead we have a postgraduate course on US ‘exceptionalism’ and a planned undergraduate course on ‘Obama’s America’. The question of US ‘exceptionalism’ – the idea that the US has a unique and exemplary ‘mission’ in the world – takes on new meaning in context of the wars of the 21st century. Academics have criticised ‘American exceptionalism’ as a ‘potentially grave obstacle to understanding international security’ (Patman 2006: 964) and have warned of the consequences of entrenched double standards, or ‘the displacement of the rule of law by the law of the exception’ (Crocker 2007). However the teacher of the Centre’s course is inclined to take the heat out of that debate, trying to ‘normalise’ the concept by saying that the US ‘may be an exceptional nation’, but then other nations can be too (Phillips 2008).

In any event, such courses seem likely to align themselves with the North American theories of ‘hegemonic stability’ (e.g. Kindleberger 1973) – the idea of a benign role for a ‘single superpower’ – than theories of ‘imperialism and uneven development’ (Amin 1976) or ‘imperialism and dependency’ (Frank 1967), which look more critically at international economic relations. The Centre also seems likely to reinforce the idea that Australia will remain a dependency of the US. Geoffrey Garrett’s course on ‘Obama’s America’, for example, suggests that ‘the dramatic political and economic changes taking place before our eyes in America … will shape lives in Australia and around the world for years to come’. Alarmingly, he also predicts an ‘expanding struggle against violent Islamic extremism’; as though the existing US-initiated wars in several Muslim countries were not enough (USSC 2010c).

Retired Australian politicians do not miss out. Former Labor leader Kim Beazley was a board member of the Centre, before his appointment as Ambassador to the US. Former Prime Ministers Bob Hawke and John Howard – united at least in their past enthusiasm for US military adventures – have been appointed to a ‘Council of Advisers’, along with former Bush Administration member, Richard Armitage (USSC 2010d). Former Howard Government Minister Robert Hill was scheduled to teach a summer school course on ‘Climate Change after Copenhagen – Australia, the US and the World’. As Defence Minister, Robert Hill authorised Australian participation in the 2003 invasion of Iraq. We seem unlikely to get critical perspectives on US foreign policy from any of these people.

Concluding remarks

The USA certainly deserves study, but study without pre-determined agendas. We live in a propaganda age where the ‘deck’ is stacked against critical understandings of the big powers, and of those with big money. The influence of the US these days is enhanced by the corporate media, by armies of sub-contractors, ‘embedded journalists’, paid consultants, think-tanks and state-funded NGOs. All these help normalise hegemonic views on important issues such as war, terrorism, markets, privatisations and the role of the US.

Now we have a partisan body, committed to attacking the supposed ‘anti-Americanism’ in Australian society. It has worked its way, without much resistance, into the oldest university in our country. That university, in turn, developed new forms of governance to ‘normalise’ this partisan project. It is not clear whether the United States Studies Centre will make much difference to Australian public debate on the US. However the exercise has undermined academic independence at the University of Sydney, has dressed up a private business lobby’s agenda as ‘normal’ academic activity,
and has raised broader questions about the capacity of the corporate university to manage conflicts of interest. Our academy deserves better.

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