

University, Inc.: The Corporate Corruption of Higher Education

By Jennifer Washburn. New York: Basic Books, 2005

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Recently, as a visiting lecturer at a distinguished East Coast medical school, I had the opportunity to engage students, residents, faculty, administrators, and technology-transfer staff in discussions about the role played by drug companies in biomedical research, clinical trials, and medical education. While there were some expressions of ambivalence about how drug companies interacted with the medical school, the general feeling was one of resignation and acquiescence to the new economy of the modern biomedical university. Federal research

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budgets are declining in critical areas. Compared with years past, many more proposals ranked highly by the National Institutes of Health and the National Science Foundation peer review panels are nevertheless not funded. Reduced reimbursements for health services mean that faculty clinicians must seek other sources of income. Government fellowships for biomedical researchers are inadequate. All of this means that the business of the university has turned to business. How does a university protect its integrity and core values in the face of these exigencies?

Medical schools are trying to sustain their budgets by rolling the dice on intellectual property investments, by taking on lucrative clinical trials, or by partnering with drug companies on the high stakes of drug discovery and development. The condition in which medical schools find themselves is not the result of bad planning, a weakened economy, or a decline in the demand for physicians or medical services. Rather, for over two decades, it has been the policy of the federal government to wean the budgets of higher education from public support.

Jennifer Washburn's book *University, Inc.: The Corporate Corruption of Higher Education* outlines the broad trends and documents dozens of troubling stories that illustrate the consequences of what she aptly terms the "market-model university." The central argument of her work, that corporations are investing more in academic research and getting what they want in return, grows out of "The Kept University," an influential *Atlantic Monthly* article she co-authored in 2000.

University, Inc. raises two important questions. First, what changes have

occurred in the American university over the past several decades? Second, what impact have these changes had on higher education and on the broader society? Washburn informs us that drug companies, along with other corporate sectors, have gained a foothold in America's universities by taking advantage of new tax and intellectual property incentives. Federal policies supporting university-industry partnerships are based on the dubious assumption that academic entrepreneurship is the best path toward technology transfer and innovation. Washburn quotes a director of clinical trials at one Ivy League medical school as saying, "By making operations more efficient and industry-friendly, universities can bring research back into the academy, and prevent standards from further deteriorating."

Washburn warns us that the triple-win strategy of university-industry partnerships (more funding for biomedical research, more innovation for industry, less financial dependency on government) comes at the expense of the university's core values. Moreover, there is reason to question the quality of the biomedical data from studies largely sponsored by institutions, including universities themselves, that have a financial stake in the outcome.

Among the many research areas where objectivity and scientific integrity can be compromised by conflicting interests, it is understandable that the public is particularly concerned about biomedicine, where life and death lie in the balance. Readers of *University, Inc.* may take pause at revelations such as "Nearly half of the faculty who serve on university IRBs (Institutional Review Boards), charged with protecting human

subjects, also serve as consultants to the drug industry," and "Roughly one-fourth of the patented inventions in agricultural biotechnology . . . originated at public-sector institutions but are now tied up under restrictive commercial agreements," an outcome that limits free and open inquiry and scientific innovation. The logic of academic entrepreneurship has meant the abandonment of the "knowledge commons," which asserts that publicly generated knowledge should be shared freely with all potential users.

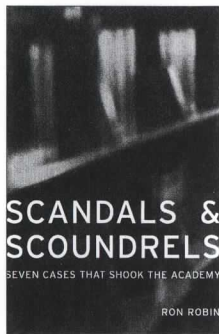
One would be hard pressed to find a modern research university that has not bought into the idea that its future is tied to the "market model." But is the idea generalizable? Washburn argues that most university technology-transfer offices are not profitable. Blockbuster rewards have been reaped by a handful, such as the University of California, San Francisco, and Stanford University (both for recombinant DNA methods), and Florida State University (for the anticancer drug Taxol). But the failures, such as misguided efforts on the part of dozens of state universities to develop income-producing research-and-development parks, are rarely discussed. State legislatures impose the burden of developing income from intellectual property on publicly funded universities and penalize them if they do not succeed. Profitable or not, technology transfer has become part of the culture of the research university.

The standard argument advanced by unabashed promoters of academic entrepreneurship is that universities are faced with a dilemma. They can either protect their integrity (by strict adherence to their independence from the profit motive) or preserve high academic standards (which requires collaborating with for-profit institutions to earn income to attract top faculty and build state-of-the-art research facilities), but not both. But is this a zero-sum game? Or can uni-

versities operate within the boundaries of technology transfer and still live by their core values?

In the final chapter of *University, Inc.*, titled "The Path Forward," Washburn outlines the reforms that would be necessary to bring the pendulum of academic integrity back in balance. Her four-tier recommendations are worthy of serious consideration. First, she supports a federally mandated technology-transfer agency whose purpose would be to "facilitate the commercialization of federally sponsored research while preserving academic autonomy." Such an agency, she believes, could carry out the federal mandate of technology transfer while prohibiting universities from holding equity or making investments in companies that are created out of federally funded research. Second, she recommends amending the 1980 Bayh-Dole Act, which gives to the recipients of federal grants the intellectual property derived from any discovery, so that universities would have no incentive to issue restrictive licensing of their patented discoveries. Third, she would prohibit conflicts of interest among researchers, consultants, and managers in government positions. Fourth, she would reorganize clinical trial research to establish a firewall between the drug industry and the drug testers.

At a time when traditional sector boundaries have become blurred (Congress and the courts; entertainment and news), it may not be surprising that universities are seeking to reinvent themselves as new hybrid entities whose rhetoric embodies irreconcilable values: profit and non-profit, open science and proprietary science, knowledge generation and wealth generation. After all, the transformation of academia is a reflection of broader trends in society. *University, Inc.* may be a subset of Government, Inc.



Scandals and Scoundrels: Seven Cases That Shook the Academy

By Ron Robin. Berkeley and Los Angeles: University of California Press, 2004

Historians in Trouble: Plagiarism, Fraud, and Politics in the Ivory Tower

By Jon Wiener. New York: The New Press, 2004

ELLEN SCHRECKER

Everybody loves a scandal, at least if it doesn't have serious consequences. A voyeuristic pleasure accompanies the spectacle of the mighty brought low by their own misdeeds. So it's no surprise that recent revelations of plagiarism and other forms of fraud among well-known writers and academics have spawned their own mini-industry of analysis. An earlier day would no doubt have dealt with these cases as personal matters, perhaps a subject for psychological about why good

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