

An After-Dinner Address

Eugene Kamenka*

Your friendly invitation to me to give the after-dinner address near the end of what has clearly been an exciting conference—ranging, as you put it, from saints and technology to cuckoos, puppets and economists, kicking off with Kalecki and marching to Hegel and back—is generous, flattering and totally crazy. Perhaps one should expect nothing else from a decision in which both Heinz Arndt and Peter Groenewegen concurred. Their best work, I imagine, is done when they are at odds with each other. The invitation is even more peculiar since both have ample evidence of my total ignorance and incapacity in matters of economic practice and economic thought. Heinz, on an occasion that I at least found memorable, once said to me—"But Eugene, you can't be that ignorant of economics". I was and am. And Peter—a most welcome visitor in our Unit—was kind enough to venture into our fields rather than attempt to dazzle us with his; even so, he made me feel ignorant.

Like many Jews—Ricardo, Milton Friedman, Max Corden and Geoff Harcourt strike me as untypical—I was brought up to believe that money and even talking about money carry with them an ineradicable taint, disastrous for one's character and for one's reputation. The fact that my forebears owned a bank made them only more determined to become anything but bankers—engineers, professors of law, diplomats, a (converted) monk on Mt. Athos, political activists and, if they were young, Menshevik Marxists. The Bolsheviks settled the problem whether it would be just for those relatives of mine to live, like Lenin, largely off unearned income by confiscating the bank. Perhaps I feel so much at home tonight because the historian of economic thought knows even more clearly than the economist that economics is not only about money. John La Nauze, indeed, tells the story of David Ricardo receiving a letter from a correspondent: "Sir, I observe that in your *Principles* you state that when the price of wheat falls, wages will tend to fall. Recently the price of wheat has fallen in your area, have wages fallen?" Ricardo's reply: "Sir, you raise a most interesting question to which I do not know the answer. Being a gentleman, I always pay the same."

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In any case, my only comparatively serious brush with economics and economic thought—for I read Marx as most of you know rather selectively—came in my undergraduate days when I did Economics I in Sydney as a "fill" subject, studied Benham for three days before the exam and the Communist Party of Australia's publication of a Soviet textbook of political economy for one day and scored—to my amazement and disgust—a Credit. I complained vociferously at this total lack of standards to the man who marked the papers, Len Hume, then and now not much older than I. He squashed me. "Eugene", he said, "I have one advantage you have not. I have read the other papers."

Grandparents and grandchildren usually get on well—they have a common enemy. Perhaps your invitation to join you at this dinner is not as crazy as I thought. I work in a School and a University that I have loved and been proud of for more than 30 years, and for which I can no longer feel the same. We all face a particularly virulent attack, on everything that universities stand for, in the name of cost-effectiveness, managerial efficiency and everyone's duty to contribute to the pursuit of wealth and measurable, quantifiable, social "benefit" and social "progress". The attack comes from many quarters and a distressingly significant part of it comes from within. But at a vulgar level, it is portrayed as an attack of scientific, rational economics and management against history and theory, of practice against ivory towers, of the future against the past. Great economists know this is nonsense, or at the very least a thoughtless simplification of complex problems. Historians of economic thought, given extra sensitivity and insight by the subject of their studies and wider connections with other disciplines, don't need to be great to know that the belief in planning and rationalisation as a universal panacea is based on illusion and that the doctrine of cost-effectiveness itself carries with it frightening social costs.

A day or two ago, I was asked to comment for the press on the Dawkins White Paper proposals for tertiary amalgamations and the centrality they have assumed in his vision of a tertiary system that would be geared to employment, education and training as interrelated and hierarchically arranged goals. There are many mixed motives and confusions at work here, both in Mr Dawkins' mind and in the minds of those who, often for quite different reasons, do not resist him. The question cannot be explored adequately in the daily press or in an after-dinner talk meant to stimulate rather than dull the digestion. In any case, many more competent and more systematic than I have, in various places, discussed the question very well indeed. What I had to say—and you may like to hear it—has little merit except a certain punchiness and clarity in what I believe in. It went like this:

The radical, sweeping and completely mechanical proposals for tertiary amalgamations on a vast scale that emanate from the Minister for Employment, Education and Training are not responses to problems or demands within the tertiary sector and do not reflect in any way an appreciation of its richness, diversity and independent strength or of its contribution to Australian public and political life. On the contrary, the proposals are proposals for corporate management and express a "philosophy" alleged to be equally appropriate to breweries, sporting teams, financial institutions and now universities. The government, indeed, has launched a take-over bid. Nothing is less appropriate to the life of the mind and to the great and historic task of drawing more of our population into the life of the mind. Nothing, it might be added, is less appropriate to the production of good beer or to sport as an honest and satisfying form of activity, either.

The special contribution that universities make to the life of society rests precisely on the contrast between what should be their collegiate life, devoted to communication and the spread of truth and sensitivity, and the power plays and ruthless pursuit of limited interests that characterise the wider world of commerce and much of politics. The majority of students will not live such a life for the rest of their days, but they do retain a conception of what it means and of the values implied.

Strategic planning, effective performance with monitoring and review according to agreed educational profiles introduce into universities a formalised bureaucratised reduction of university activities and values to basically dishonest emphases on formalism, bureaucratic arrangements that hide the realities and cosmetic public relations. They discount completely that which is central to the life of the university—judgment of quality that cannot be reached by statistical evaluation and flexibility that strives to make the best of what one has on the basis of those evaluations. They build in no serious mechanism for judging those that create these "impersonal control systems"—history will do that.

The worst thing about the Dawkins proposals is their clear demand that universities re-shape themselves to become like Mr Dawkins and his department: that they share the bureaucratic and political values, accept departmental procedures, kowtow to the government's right to direct and judge by appointing the kind of overseers that will not raise difficulties about the government plan. That is indeed the foundation and the philosophy of the corporate state. Mr Dawkins seems peculiarly insensitive to the great tradition—cultural, political and social—that

rejects corporatism in the name of the good, the free, the creative society.

Of course, the real danger of Mr. Dawkins is the extent to which he can manipulatively call forth from the university woodwork those who will prosper by pleasing him. Some do this for their own careers and personal advancement, some to get more funds at any cost for work that is dear to them and that they believe to be socially important. But worst of all the effects of government policy since the 1970s and especially since the appointment of Mr Dawkins has been the elevation within universities of administrators, Vice-Chancellors, Directors, Deans who increasingly get and secure their positions by helping to shape universities to alleged government requirements in the name of realism and maximum assurance of funds.

"Educational administration"—more and more remote from immersion in education itself—becomes a career path; Vice-Chancellors move from one university to another toward "the top". "The administration" comes to play a more and more central role in universities. As genuine academics turn their backs in disgust, the Deans of faculties and even the heads of departments and sections become less and less respected and more and more reliant on bureaucratic power as a means of covering up their insecurities and unworthiness.

All this the government ignores. So do the administrators who have tasted the prospects of ever increasing power and importance, who think that a mega-university will compensate for their own intellectual smallness. Many of them, let it be said, did not begin small; they are made small by their work.

Real societies and real universities are complex institutions in which conflicting and competing requirements and desiderata have to be balanced—in which we need both efficiency and creative independence, tradition and innovation, money and a healthy contempt for a society or a person that thinks only in financial terms. Universities do not need super-ministries or super-ministers, managers who see themselves as masters and not as servants and who live for the next press release and the annual report. Universities will still be there when this government and many others have gone. But they will be worse places to study and our society will be a spiritually poorer place to live in if corporatism triumphs.

Economists, for much of the history of the subject, were development economists, attuned to considering the impact of economic activities in producing changes in society and in human beings. They were conscious that the notions of economic man and of economic activities carried with them wide-ranging and defeasible assumptions about social habits, customs, traditions and psychologies capable of change. They had, in short, the notion of an economic order and not only of an economic system; they were students of society and, increasingly, of a dynamic society torn in many directions, subject to many competing demands and undergoing major change.

It is not the conclusions of a Marx but his ambitions—they were also those of Schumpeter—that we still need today. In an unhistorical, utilitarian society, we need these and the insights and values of the serious historian of economic thought more than ever. Neither Mr Dawkins nor Australia itself can set the boundaries in which we think and work.

In the meantime, humorists see the world more clearly than we do. When I was in Moscow in 1965/6 I learnt all I needed to know about communist economies from the season's favourite Russian question: "When will Cuba achieve communism?" Reply: "When it begins to import sugar". And today, as sociology battles economics for *the* role of scientific adviser to society, I am reminded of the story of two sociologists walking down a lane in Manhattan and stumbling upon a man, battered, bleeding, moaning in agony from a vicious bashing. "The men who did this", says one sociologist to the other, "need our help."