

# Myth Buster

## Corporatization

### POST-SECONDARY EDUCATION: OUR TIME TO ACT

As public funding has fallen, universities and colleges have increasingly turned to private funding to fill in the gap. But many donations and corporate contracts come with strings attached and can end up compromising academic freedom, re-directing the priorities of post-secondary institutions away from the public interest, and eroding public faith in the quality of research and teaching. Don't fall for these common excuses as to why private funding of post-secondary education isn't a matter of public concern.

**Myth: Private funding is just making up for lost government revenue.**

Reality: Private funding does not simply replace declining public funding. Public funding covers the operating expenses of universities or is directed to areas of public concern. On the other hand, most large donations and contracts are targeted at specific purposes that align with the donor or the corporation's interests. This ends up privileging certain fields over others, whether or not funding is actually needed there, and allows donors and corporations to direct the funding priorities of governments and post-secondary institutions. It also tends to support research in the corporate interest rather than research in the public interest.

**Myth: We might not like private funding, but we have no choice but to accept it because governments can't afford to fund post-secondary education anymore.**

Reality: Governments' capacity to spend depends on the size of the economy, which can be measured using GDP. In 1992-93, the federal government's cash transfer for PSE was equivalent to 0.41% of GDP. In 2014-15, it was only 0.20%. That is less than half, compared to the size of our economy! The shift from public funding to private funding is about choices, not about affordability.

**Myth: Universities and colleges have donation rules in place that protect academic freedom.**

Reality: There are well-documented cases where institutions have not followed their own rules regarding large donations, allowing donors control over academic personnel and curriculum. Furthermore, deals that don't directly interfere with academic freedom may still create an academic chill when continued donations are contingent on donor satisfaction.

**Myth: Research should be useful. Corporate partnerships are an important way of ensuring that research is useful to industry.**

Reality: Many important discoveries in Canadian history would not have been made without public funding for research in the public interest, rather than in the corporate interest. Furthermore, corporate partners have in the past muzzled researchers who did not produce the results they wanted, putting public safety at risk. And corporate funding of research has been shown to erode public faith in the fairness and accuracy of research.

**Myth: Universities and colleges should be run like a business, to make them more efficient.**

Reality: Universities and colleges are not businesses. They are academic communities that seek to provide a high quality education, to support excellent research, and to foster important conversations on vital issues. None of these goals are furthered by running an institution like a business; in fact, business principles can obstruct the real purposes of post-secondary institutions.