

## Universities and the Downturn

Responsiveness to change, not size or previous performance, is said to be an advantage in difficult economic times. Universities would not seem to be exempt from this adage. The depth of the current recession is becoming increasingly apparent. The reverberations are now well beyond the housing sector where it started. The dreaded "D" word, Depression, is on many people's lips. Right through early 2009, the U.S. economy shed hundreds of thousands of jobs per month, many of which cannot be expected to return in the form they left. Some pundits raise the specter of a Long Depression like that at the end of the nineteenth century with a major redistribution of wealth and power at a global scale. In less apocalyptic mode, others point to the need to restructure the U.S. economy towards one that encourages a vastly more educated and skilled labor force to enhance an existing competitive advantage. Re-education and job training on a massive scale is one possible outcome. For many of us, the main question of the moment is how will the U.S. universities where many of us work fare in the current financial onslaught?

One answer insists that the existing dominant model of universities as stimuli of economic growth is likely to fail; indeed that it is already failing. In particular, state governments and individuals will no longer be able to carry the debt burdens and fiscal imbalances that have fueled university expansion in budgets and numbers of students in previous years. This seems inevitable without increased popular willingness to shoulder a larger tax burden and large regular increases in incomes to pay fees and tuition. At the same time, the business-university partnerships that have produced much of the recent increase in university research funding, largely in the physical and life sciences, not only threaten the old idea that universities should run themselves and set

their own research agendas but also seem largely irrelevant to many of the most pressing research problems of the time, such as climate change, increasing energy efficiency, regulating financial products, managing global migration, and stimulating economic development in the world's poorest places. The dual challenge of the betrayal of academic freedom and the poor fit between private finance and public needs is the message of numerous recent books, including several written well before the recent economic crisis.

Other answers offer more subtle and positive prognoses. Even if the U.S. as a whole is on course to lose its overall global economic dominance as a result of profligacy in consumption and increasingly effective competition from elsewhere, the effects will vary profoundly across the country. As geographers we are skeptical of arguments that invoke whole countries when in terms of economic dynamics they are made up of more significant parts: regions, states, and localities. In fact, as our colleague Richard Florida pointed out in a recent *Atlantic* article (March 2009) called "How the Crash Will Reshape America:" "the coming decades will likely see a further clustering of output, jobs, and innovation in a smaller number of bigger cities and city-regions." From this viewpoint, those universities that are able to translate their strengths into competitive advantages relative to the regions and localities in which they are located are the most likely to thrive. This may mean becoming more specialized in what you do, by, say, offering programs and degrees within departments and schools that fit emerging rather than declining sectors and local-global linkages.

The national financial sector is probably set to shrink. Interestingly, this will probably damage those small cities with large banking sectors more than large financial centers such as New York City with more diversified economic bases. All being well, more engineering graduates will now start

to go into engineering than into investment banking. They can start working on serious problems.

Much more optimistically, however, we can perhaps look for a reinvigoration of the old popular commitment to general liberal education that seemed to wane during the years of financial bubbles. Narrow training will need a broader educational base to be effective

in a world where skills must constantly be replenished. How about *really* learning a foreign language? Much of the rot set in with the tax revolts of the late 1970s, which separated private interest and public good to the extent that even the idea of collective public spending and service to benefit individual interests was lost. The notion that someone else might marginally benefit from your taxes or energies was simply too much to bear. As the past months have made increasingly clear, if we stay on that cultural track we will be totally disadvantaged in whatever economy emerges out of the current downturn. In cutting off our noses to spite our faces, we might as well then follow the absurd advice of *The Onion* (the satirical newspaper) which recently offered the following headline for those who can't see the writing on the wall: "The Only Way out of this Crisis is to Build More Homes." ■



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### Nominations for AAG Vice President and National Councillor

The AAG Nominating Committee is currently accepting nominations for Vice President and National Councillor for the 2010 election. Deadline for nominations is August 31, 2009. For nominating details see page 10, this issue.