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I recently attended a British Council forum in Hong Kong where senior representatives from UK universities talked about their operations in China. The emphasis was on how best to penetrate the "market". The usual tips were shared about doing business there, such as the art of relationship-building, or *guanxi*, as it is known in China. But for anyone who believes that the university is about more than commerce, listening to the speakers was a depressing experience.

Universities in the UK, Australia and the US are part of a modern gold rush. They are exploiting growing demand from an expanding middle class in countries such as China and India that is hungry for high-quality higher education. In pursuit of new market opportunities, however, the institutions need a moral compass to guide their thinking.

In 2005, the Council for Industry and Higher Education published a guide to ethics in this area. It encouraged the UK sector to act within "the spirit of the law by seeking to contribute to the economic well-being and social development of the countries or communities in which it operates". Yet while it is important to respect the laws and culture of host nations, it is only half the story.

Western universities need to be true to their own values, not just those of their hosts. UK

Pack a moral compass when branching out or risk losing your way

Bruce Macfarlane asks UK universities involved in the overseas gold rush: what price profit if you abandon your values?

values presumably include a commitment to democracy and basic human rights. Despite this, our universities are happy to invest in countries that routinely abuse such rights. This does not just include obvious examples such as China and parts of the Middle East: it also includes Malaysia, where ethnic Chinese and Indians have been the subject of systematic racial discrimination for decades. UK institutions know this only too well: for more than 30 years, thousands of Chinese Malaysian students have come to the UK to embrace opportunities denied them at home.

Since universities now act as commercial enterprises, perhaps they ought to pay closer attention to international business ethics. Thomas Donaldson, a well-known business ethicist, has argued that when conflicts occur between the values of home and host nations, investing organisations need to ask themselves hard questions. Are the differences a result of the relative level of economic development (in other words, if the host country became wealthier, would they disappear?), or are they unconnected? This is where "culture" comes in. If bribery or discriminatory practices are

unlikely to wither as a nation develops, then they are probably fundamental cultural norms. In this situation, according to Donaldson, organisations need to ask themselves whether it is possible to conduct business successfully without undertaking host practices.

The answer to this is generally "no". Yet sometimes universities claim that they can create vacuum-packed campuses insulated from things they don't like. New York University Abu Dhabi, for example, stated that it had agreed with authorities to create a "cultural zone" protecting speech and conduct around the new campus. The promise was later retracted.

At the British Council forum in Hong Kong, a representative of the University of Nottingham glibly asserted that all its students learn "critical analysis" wherever they study. The irony of this was not lost on those of us who work in Hong Kong, where controversy rages over the introduction of "moral and national education" into the school curriculum. As in

> **UK values presumably include a commitment to basic human rights, but our universities are happy to invest in nations that routinely abuse such rights**

mainland China, this is designed to domesticate students rather than develop critical thinkers.

Businesses that continued operating in apartheid South Africa claimed that by being there they were a positive force for change. A similar "development argument" has been made by universities in their dealings with undemocratic regimes and democratic ones that violate human rights. But it is generally not possible to do business in this way without giving succour to practices that conflict with home country or international norms. Western universities that set up branch campuses in such contexts lend credibility to governments that fail to respect human rights.

According to Donaldson, even if organisations can operate without undertaking practices that conflict with their own values, they need to ask one further question: do the practices clearly breach fundamental international rights? This would suggest that before investing, universities must think about rights and absences (such as whether women and racial minorities are treated equally), and freedom of expression. Such information is available from Amnesty International and Human Rights Watch.

Clearly, UK universities are under pressure to be both business-facing and public-spirited. But in taking their brand to emerging markets, they need to be aware that they are trading off the essence of what it means to be a university. This is about more than profit: it is about being trusted as a critic and conscience of society.

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