

**Searching for the
New Liberalism**

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**Higher Education: Moving on
in a Positive Climate**

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** The views expressed in this paper are entirely my own and do not reflect the views of York University.*

In the winter of 2001, the eminent French sociologist, Alain Touraine, stunned a meeting of deans of graduate schools of Canada and their guests by declaring that the USA has a monopoly of important universities. There are, he said, about a dozen major universities in the world – those to which all the very best minds and researchers go, graduate from, or work in – and all are in the USA, with the possible exception of Cambridge.

Coming from a prominent (although safely retired) professor from France, this was a strong claim. And yet in the post-war period Americans have focussed their considerable public and private influence and resources on building outstanding, exciting places of learning that influence governments, private sector organizations and international institutions everywhere. They have also built up an amazing range of institutions of higher education that are less influential but highly successful. Given what is sometimes seen as US isolationist sentiment, US universities draw in a huge proportion of all foreign students. They in turn influence world institutions and leaders throughout the world.

To a Canadian audience dedicated to building our own universities, this was distressing but true. All of us have tried to hire and retain faculty in a variety of fields only to have the brightest exit to Harvard, Stanford or Chicago. We all try to hire graduates from the top ten or twenty universities and are very pleased when our graduates are accepted into those universities for graduate programs or faculty positions. Virtually all of us list sabbaticals, conferences, invited lectures or some association with those outstanding institutions.

Some in Canada believe we should mimic the US system, pouring our resources into a few institutions and build the US style “tiered” system of universities and colleges.¹ Others believe that we can more successfully nation build by supporting access to a good quality of education and research across the country and that, in addition, provinces are likely to try to do this regardless of the hopes of some. It is one of the key debates in this country and public policy is not transparent on this highly controversial topic. I will return to this debate later.

In Canada, we pride ourselves on offering in all our universities the type of good, solid undergraduate education that gives the best students entry to the “best” graduate and

professional schools and the richest scholarships. Is this a sufficient goal in the current environment? Can we sustain even this standard?

In a world of mass higher education, of increasing costs associated with teaching and research, in a period of high participation rates and strong demands for highly qualified and motivated workers, there are some key steps we can take to support our ambitions.

The Government of Canada has shown great leadership by its student financial support and its research agenda and now the Innovation Agenda announced in February 2002.¹ For the past decade, the Government of Canada has been building a series of policies and programs that have responded well to the requirements of our economy, our universities and to students. What they have not done is clarify policy statements about higher education.

So what have they accomplished and what might we do next to meet the challenges of living next to the empire of learning and working in a globalized economy?ⁱⁱ

The Limitations to Public Policy

Creating public policy for higher education in this country as in other federations presents some considerable challenges and these have to be considered in looking toward Canada's future in this field

First, universities are ancient institutions with considerable autonomy in attitude and substance. Although from one point of view we are a highly regulated sector with provincial and federal reporting and funding requirements that are quite out of control (York University in a recent typical year filed 983 reports to all three levels of government generating quite a few jobs and a lot of expense in this part of the administration) and although regulation is clearly growing in Ontario and probably across the country, nonetheless professors are autonomous scholars and scientists and are so protected by rules of academic freedom and by their very powerful associations and unions.

Even more significant is that this autonomy must be in place if the best work is to be done. It is out of the question that research and scholarship should be confined within a particular nation, region or era. Faculty do now and have always gone to the sources of their data (archives, archaeological sites, laboratories, libraries, communities, oceans/fields and forests, etc) wherever they may be. Research is always compared to the best in the world, not to local standards and scholars and scientists are highly peripatetic.

This is a condition of good work and wherever it is interfered with (e.g. during the Cold War and most of the hot wars as well) standards of science and research suffer. Scientists and scholars are by definition global – they are deeply and intensively integrated into their fields of expert knowledge and the people in that field wherever they may be.ⁱⁱⁱ The entire

¹ For the full story on the Innovation Agenda see www.innovationstrategy.gc.ca/cmb/innovation

world and beyond is their workplace. This frequently leads to disputes with governments over matters of funding, visas, research leaves, etc.

Second, governments are beholden to their voters and taxpayers and want to demonstrate their delivery skills. It is very difficult to demonstrate the value of much research and scholarship in terms that the ordinary taxpayer understands. The media frequently use the titles of research projects and theses to make jokes or scandals about university research. Some of it may be scandalous but by and large it is serious and well peer-reviewed research that fits somewhere into the building of knowledge and understanding.

However, taxpayers understand all too well when their son or daughter does or does not get into the university/program of his/her choice and so the concerns of students and their parents get considerably more attention than the building of knowledge. Colleges of the technical variety are better understood than universities but neither commands the rapt attention given to the k-12 schools. And for those whose children go neither to college nor university, and yet do not thrive in the workplace, the options are not understood, are expensive and are limited.^{iv}

Public policies set by governments are, therefore, a small though vital part of higher education policy and thinking that must be carried out if Canada is to forge ahead in higher education. Much of the policy and public thinking has to be done by the governors of universities, by the administrators and the interested public.^v Universities are an integral part of civic society. They are very important to the values of civil society and they need protection, promotion and understanding not simply as a means to an economic end, but as the source of and depository for Canadian society and culture.

Third is the inescapable impact of the division of powers in our Constitution which from the beginning of Confederation gave provinces exclusive domain over education. This is a problem for all levels of government and increasingly so in higher education as the competitive standards have risen, mass education in on us and research fuels economic growth. The division of powers certainly curtails the best policy and planning agendas as the rituals of intergovernmental disputes, the blame game and the competition for the tax dollar and voters obscures the necessity for a coherent higher education approach.

Much as some of us dream about a different constitutional division of powers, it is not going to happen and so the barriers have to be overcome – and are often overcome – by the creative thinking of politicians and public servants on each side of the big divide. Where governments decide to cooperate, collude or connive to make important things happen in higher education, they often do and provide great benefits for Canadians.

An Agenda for the Decade

In the federal domain, research and student support are successful strategies and both are crucial in the near term, but as the struggle over elite focus versus opportunity for general

levels of education is joined, there will be pressure on the government to reveal coherent choices now visible only in expenditure decisions. So the following three goals would make a rich agenda for the decade.

- tackling the real issues facing students and their families as they make the decision to go to university, college or elsewhere
- pushing the research agenda as far as possible and diffusing it throughout the culture and economy as far as possible
- working out the goals for higher education: the national purpose, the provincial objectives and the joint strategies

Students: Quality, Choice and Access

While the majority of students one encounters are most preoccupied with getting into the university, the program and the courses they want; while they will discuss the virtues or otherwise of their professors at length; and while their lifestyles are certainly the most fascinating aspect of students for those of us who work with them closely, their official associations appear to be focussed on only one matter: money.²

Student associations are preoccupied with the cost of tuition, access to funding, and student debt issues. An evening spent with the web sites convinces one that not only are governments at all levels perniciously raising the costs of higher education but that the majority of students are loaded permanently with debt.

There is no question that the costs of higher education – to the student, provincial and federal coffers and to the taxpayer - need serious attention and solution.

From a public policy point of view, however, the question is broader: what sort of internationally competitive and locally useful education are students being offered in our colleges and universities for the dollars spent? For if our Canadian graduates are so well equipped that they can graduate into the best jobs, graduate schools and professional programs in the world, then the question of cost is one thing. If, on the other hand, they are not internationally competitive, then it is another.

How is a student or parent to know? In a country where the only public rankings are those in Maclean's magazine which does not give academic quality indicators and does not intend to do so, we have a serious problem. Maclean's is about consumer choice and lifestyle at institutions. In every university and college some programs are better than others and furthermore programs change with faculty moves, research funding and departmental choices. Students go to programs more than institutions, and employers,

² see, for example, www.cfs-fcee.ca

graduate and professional schools judge program performance more than institutions (much as institutions would like to believe otherwise).

In the USA, graduate programs are assessed and ranked frequently by subject discipline. (And I stress that I am referring to program assessments and rankings and not to accreditation) Those carrying out rankings keep a close eye on which faculty are where, the research and publications emanating from a department^{vi}, and the graduate students who are associated with the department. Research funding, employers and the informed public are well served by such rankings. In the UK, research rankings were imposed during the Thatcher years and have evolved into a rankings scheme that has its critics and downsides but which has certainly focussed the attention of the universities on their standing. In Europe, rankings of programs are an increasingly important part of the landscape.

In Ontario, all graduate programs are assessed for quality on a regular cycle through the Ontario Council on Graduate Studies. The programs are categorized, though not ranked, but the results are not made public. In Ontario undergraduate university programs will also be reviewed in a similar manner. These reviews are not about student satisfaction (although that is one element) but are peer reviews which examine the faculty, the department, the institutional support, planning, research and publications.

How do such rankings help students? When they are of a public nature, they help students understand where they might apply in order to enter the most competitive program in any major subject. Maclean's can then supply the life-style data. They help students explain to their parents why it is important to get into a particular program (not a particular university).

If costs vary by programs, then so should scholarship and bursary support. If universities know that some of their programs are highly ranked and others less so, they will put their resources to one or another policy: either pull all programs up to high standards or focus on their strengths. But in such a situation, they will focus their attention on attracting and keeping the very best students and faculty.

For these reasons, the initial step in tackling the student costs question is such data. To collect it on a valid and reliable basis, we need in Canada an independent highly qualified body of individuals who provide an assessment of the academic quality of programs in every one of the 96 universities and university colleges now members of AUCC. Equally we need the same for the technical and polytechnical institutions. The embryos of such assessments exist in the reviews of graduate programs through, for example, OCGS. This project needs the subscription of federal and all provincial governments and all the universities but to be accepted and successful it cannot be a government program but must remain a peer-reviewed one. Establishing and setting to work such assessments would take nearly a decade but would be a basis for maintaining Canadian strength and reputation in an increasingly complex world.

Then we can properly assess and reassess the funding situation for students.

There is no question at all that a university education is expensive for students and their families. It is even more expensive for the taxpayer. The question is always: who pays?

We have moved from a country in which religious denominations began and provided support for colleges and universities in large part, with families bearing the most significant part of the costs, to one where most institutions of higher learning are secular and provincially supported. The costs for students in the form of tuition, foregone earnings and living costs have risen but so have the sources of financial support. Whereas most students leaving high school could not aspire to university in the 1950's and earlier, now most can go to university but they must worry about potential savings plans or debt burdens.

This is why a clear and transparent public policy statement is required from all political parties. In Ontario, where tuition fees have been regulated, the issue was fully engaged when the Harris government came into power. Their policy was to "share the burden". Tuition would rise and students have to pay more while the general taxpayer paid no more. This took the form of tuition rises until about one-third of the cost of a university undergraduate education was paid by the students, and of deregulated fees for graduate and most professional programs.^{vii}

Both opposition parties opposed these moves. The NDP preferred no tuition costs to students and the Liberals proposed lowered tuition costs and no deregulated costs. Now all three parties are reconsidering their positions. In provinces where tuition has not risen, universities are starving for funds and losing their reputations and their faculty.

In the meantime, the Government of Canada – and some provincial governments- have been focussing on the problem of student debts. The banks have forcefully made the case that something must be done: graduates or drop-outs were not paying off their debts; all too many young people were declaring bankruptcy; and debts were mounting. They considered at length the income contingent loan plans. There are variants but in general ensure that paybacks of loans are contingent upon earnings. They are biased against graduates who go into low-paying sectors of the economy (e.g. the arts, social work, nursing) and in general benefit those who focus on early high rates of earnings. The same logic underlies the University of Toronto tuition plan in law which has been so controversial over the past two years.

But at the end of the day, more scholarship and direct support has been the answer through the Millenium Fund and Canada Study Grants; through higher levels of student loans and a variety of tax incentives for endowed scholarship support from the public and corporations; and tax incentive programs for savings for higher education. These are universal programs in that the student then takes those funds and applies them to the program of his/her choice.

Public policy can be improved in this area in several important ways:

First, improvements in existing programs of support would see a focus on realistic planning for families, students and governments. While universities and colleges explain to their students how to finance their education, that does not help families make the initial choice of whether to go to higher education or not. Along with the RESP program, much education of families is needed to bring the focus and concern to the levels of US families. While improving the educational side of RESP's, looking at the flexibility of US 529's would also be useful in improving support for higher education in Canada.

Survey data of applicants indicates that the higher education choice is often made in grade 11 or 12 and the correlation between low family income and late choice is very high.^{viii} Clearly schools are not or cannot provide this education to families. A national program is needed to convey realistic information about how much a college, university or other form of post-school education costs, how much time it takes away from earning and what the long term benefits are.

Second, the Millenium Scholarship fund through the Foundation was a brilliant and welcome idea. It is the application of that idea that contradicts liberal concerns. In order to avoid the constitutional challenges, the Foundation negotiated with each province separately. In some provinces it works well but where a student must apply for a student loan in order to receive a Millenium Scholarship it does not. The working poor – a focus of Liberal concern for a long term – appear to be more debt averse and less likely to want to take loans or to reveal to governments their family financial situation. A study of how students finance their education shows that of the roughly half of students who graduate debt free (or with no debt outside their families), many are from the working poor. They save, they work full or part-time while they study, and they do not take student loans. They need those scholarships and they are excluded all too often. This can be reformed.

A review of the Millenium Program – as assessment of its first years and of its future – and a tune-up should be a high priority for the government of Canada and provincial governments.

Canada Study Grants are another initiative that provide support for students with special needs. A recent useful study by Statistics Canada has shown that students from lower and moderate income backgrounds are far less likely to go to university or college if they must go beyond commuting distance.^{ix} Once again, living distant (80Km or more) is a greater deterrent for low income families. In short, living at home is viewed as making higher education possible. Expanding either the Canada Student Loan program or the Study Grants program to be sensitive to this issue could have positive results.

But some of the commuting issue is cultural and the student is needed at home on a daily basis. For example, if the student is the only English/French speaker in the

household, then that student is needed to provide services for other family members in daily life. One also suspects that the gender differences remains crucial. In some cultures the young women will not be permitted to live in a campus environment. So providing access across the country is crucial. In BC, the university-college measures have greatly improved access, for example.

Third, new measures are needed to improve the quality of the post-secondary academic experience. In our economy where trade and international issues are the life-blood of our existence, bringing more and more students into the international arena is obligatory. Universities and colleges are highly aware of this.^x

The attention in Canada is all too often focussed on providing international education experiences for students. In recent years the Canadian embassies and consulates have greatly enhanced their attention to higher education which is most helpful and conducive to institutional responses from colleges and universities. As the Innovation Strategy has already suggested, we also need highly prestigious scholarships to attract the world's best students to study in Canada.

The government of Canada could help provide such prestigious scholarships by providing special tax incentives to those prepared to endow such internationally recognized scholarships at high levels e.g. those prepared to endow a scholarship worth say \$100,000 (four years of tuition, living and travel) which would require an endowment of 2M at the normal 5% payout should get extra tax benefits. The Millenium Foundation could provide the proper services and guidance which would result in the donor receiving the appropriate recognition and benefits. The Innovation strategy has identified the need for a "Rhodes-like" scholarship to bring great students to Canada and it is an excellent priority.

Equally, highly recognized academic scholarships are required. In my view, the Millenium Scholarship missed the point by focussing on financial need rather than great academic qualities, however defined. It is good for universities to have such scholarships to attract students, but it is equally good for the country to have scholarships comparable to the Woodrow Wilson Fellows and the Marshalls.

In summary, there are three key steps for the coming decade in support of students:

1. Provide better guidance to students and their families by focussing on program quality and rankings (not institutional rankings) and by establishing better and broader public knowledge and expectations on the costs of higher education and available savings and support programs.
2. improve the existing scholarship and loan programs to serve the working poor , lower middle income and non-urban students and families
3. raise the stakes on international education both by supporting students to study and work elsewhere and by creating prestigious scholarships for students to study in Canada.

Research: keeping up the pace

The Government of Canada has made some bold and very successful new steps in ensuring Canada's competitiveness through university research in the last few years. It reformed the MRC into the CHRI to promote health studies beyond the medical; it created the Canada Foundation for Innovation to focus research dollars and projects on research and it invented and supported the Canada Research Chairs, a series of faculty appointments to both build capacity for research in all universities and to attract back to Canada some of the talent abroad. Best of all, in the past budget it paid some of the indirect costs of research to the universities, a measure which will truly ensure a change in the climate toward research and innovation across the country. This agenda has been imaginative, sensitive to needs and highly applauded.

The Innovation Agenda of the past February in the paper Achieving Excellence announces a series of further goals, targets and priorities to achieve the objective of supporting our economic future by absorbing innovation into the business of Canada, creating value at home and building talent for the future.

By AUCC calculations, universities and university colleges do one-third of the research in Canada, by Government of Canada standards it is one-quarter. Under any circumstances, it is important and has the potential to fuel the economy.

Research transfer is another and more complicated matter. Universities are not always good transmitters and Canadian businesses are not always good receivers. In provinces like Quebec where the Government of the province has focussed on the space industry and pharmaceuticals there has been a major payoff. It is the concentration of instruments and resources – tax incentives, industrial inducements, labour force availability and research institutions – that have worked well. In Montreal, in Edmonton and Calgary, and in Vancouver/Lower Mainland there are equally good opportunities as well as many smaller centres. But there is the wider scope: in most places, invention/improvement and good ideas have no natural receivers and will not see the light of day unless there is an institution to move those ideas around. The Innovation Agenda commits government to “leverage the commercialization potential of publicly funded academic research”, to provide incentives in some fields, to increase venture capital and to recognize innovators.

The CFI has that potential. What it does not now have is a cadre of individuals sophisticated in intellectual property, industry/universities, and investing to spur the system forward. Could it do this job? In collaboration with the NSERC, SSHRCC and CHRI a powerful collaboration could be developed and conveyed. Industry/sectors, however, have to listen to the idea and to be willing to work together. Overcoming this hurdle is a major challenge which can be strongly supported by governments both directly and indirectly. But it is a culture change in this country and requires breaking down areas of mistrust and misunderstanding that run very deeply. The current

opposition to the “corporate agenda” and the myths about ivory tower thinkers have set up barriers to understanding that will emerge only with some successes, most of which have to be between the university and industry partners....they are not successful when forced but only when encouraged.

Indirect costs were funded by the federal government for the first time last year. This is a very welcome move on the part of Government and has already made a significant change in the capacity and motivation of university researchers everywhere. A continuation of this policy is crucial for the increased productivity and creativity in university and college based research. The Innovation agenda strategy includes the funding of the indirect research costs at the 40% level. The results of such funding will provide a good background for understanding what happens next i.e. will there be further collaborative steps to be taken of a trilateral nature?

Universities, through the AUCC, have committed to doubling the amount of research we perform to help make the target of being among the top five countries in R&D by 2010; to increase research collaboration; to triple commercialization performance; to work with their communities in these areas as well as others.

But the question is: will the Innovation Agenda be successful? Will higher education individuals and institutions rally to the cause?

There is enormous goodwill and a lot of work going on. There is great hopefulness but the answer turns to some considerable extent on the clarity of policy on higher education reinforced by allocation of resources and that returns us to question posed earlier:

Is it federal public policy to focus resources on a few institutions to create “best in the world institutions” or is it to focus on the excellence, talent and progress wherever it is found?

Clear and Transparent Policy

The Innovation Strategy, in particular, is Liberal in its intent and a brilliant piece of work. This Government of Canada has achieved a lot in support of students and research. Other moves have been bold and focussed as they have spent the dividend of debt repayment and fiscal prudence.

The problems lie in the operationalization of some of those ideas and in the failure to resolve the major debate about the country’s future in higher education.

In operationalization, the Millenium Scholar issues have been identified earlier. Is the objective to encourage talent, to encourage the brainy regardless of background? In

that case, the program should require academic performance beyond the usual and supply financial support without a means test. The goals are now confused.

The Canada Research Chairs represent another operationalization issue. They are distributed according to a formula based on an institution's share of the existing granting councils awards. This distorts the CRC's in the direction of universities with medical, dental and engineering schools because those researchers are applying to the granting councils which are the best funded. It assumes that the bulk of chairs should go to those areas of study chosen by the fewest students because the grant funding goes there. As an example, most undergraduate students study in the social sciences and humanities and researchers in those fields are offered the least grant funded research, so the new faculty are going to those fields that already have the fewest students, the most research funding and the least influence on building the research culture. This is a distortion *unless* you subscribe to the view that a few institutions should receive the bulk of the resources to build the "best institutions in the world".

So what is the public policy coming from Ottawa? Have they concluded that they will build the capacity at a very few universities to try to achieve some level of competition with the top US institutions? Funding for the CRC's and some actions would indicate this approach is what lies behind the allocation of resources. (This, of course, begs the question of whether that is possible even if it is desirable) Or are they concerned to ensure that resources support excellence wherever it is found, that opportunities are created for talented students and researchers and that capacity be built in many parts of the country even if for specific and differentiated objectives? The Millennium Scholarships, indirect costs, and parts of the Innovation Strategy point to this thinking? Or are they just hedging their bets?

A clear statement of intentions and if possible a statement coordinated with the provinces would be a major accomplishment and a great step toward a great future for higher education in Canada.

That statement should differentiate policies directed to access and opportunity for students (with variations by province if necessary), the clear research intentions settling the question of whether a few selected institutions will succeed or all may compete, and the role and limitations of government in changing the climate and culture of our country in higher education and research, strengthening internationalization goals abroad and at home, and building institutional strength to achieve targets and objectives.

The Liberal approach would be one of creating access and opportunity rather than elite focus, supporting initiative and excellence in individuals rather than rewarding institutions and remaining barriers and facilitating accomplishments rather than choosing winners and losers.

ⁱ This debate can be seen for example in the National Post article of 17.08.2002 by Heather Sokoloff “Law Students may be asked to share future pay” in which McGill and Queen’s representatives are paraphrased as “Many Canadian schools can do just fine without large contributions from students. But what if you want to be the best in Canada What if you want to compete with the best in the world?”

ⁱⁱ For many of us, the leader of the country/party is judged on three main issues of almost equal importance:

- 0 the leader’s concept of how to balance the relationship with the USA with our longstanding commitment to international economic development and peacekeeping: how would she/he maintain those complex relationships?
- 0 the leader’s proven ability to ensure that the economy is strong now and in the long term while at the same time narrowing the gap between the well-off and the struggling groups in Canada: is there a plan?
- 0 the leader’s commitment to the strengthening and reforming of our major institutions which include confederation, parliament, and civil and cultural institutions: will Quebec and Alberta stay in Canada as willing participants; will Parliament keep up with contemporary democratic practices; will education, health, cities/communities, and our key national parks, museums, libraries, universities and other centres of culture thrive?

Successive governments have made advances on these issues by inventing new institutions (e.g. peacekeeping), reforming institutions (e.g. the Constitution), fighting inflation and reducing deficits, and addressing US relations. But the challenges are renewed with each change in leadership.

ⁱⁱⁱ This use of the word “global” follows the very helpful discussion by Sylvia Ostry in her Walter Gordon Lecture in Public Policy at Massey College, 23 May, 2001 and published with the Sixth, Eighth and Ninth Lectures by Massey College, 2002, pp 75-98.

^{iv} This complex subject is addressed in the HRDC paper "Knowledge Matters" which accompanies the Innovation Strategy and in which the government tries to gain some purchase on this subject. It has received all too little attention, mostly in my view because the institutional structure is not there to provide support for apprenticeships and other forms of education.

^v There are myriad resources for discussions on higher education and the future of universities, colleges and other forms of higher education. The best source in Canada is the AUCC and their website (AUCC.ca); in the USA, the AAHE (AAHE.org) and especially their Futures Project which is the source of much stimulating thought, much of it published in their magazine Change (see futuresproject.org). Many good ideas have emerged in the last few years and I touch on only a very few here and only those that link to public policy.

^{vi} Cf a recent article published by the AAHE which shows that program rankings and faculty research productivity are highly correlated in the USA

^{vii} In fact, the proportion paid by student tuition varies from one-third to almost one-half depending upon other sources of revenue for universities and its mix of programs.

^{viii} Such data are collected by, for example, a survey of all applicants to Ontario's universities organized by the OUAC – Ontario Universities Application Centre in Guelph.

^{ix} Statistics Canada, "Too Far To Go On? Distance to School and University Participation, June, 2002

^x see for example the AUCC response to the Innovation Agenda "A Strong Foundation for Innovation: an AUCC Action Plan", July 2002.