

## The Public Funding of Canadian Higher Education: Is It Sustainable?

*This presentation is loosely based on an article entitled "Waste Not, Want Not: Corporatization and 'Efficiency' in Canada's Universities" published in Our Schools/Our Selves volume 17(2), Winter 2008. The reader may refer to this article for further elaboration of the arguments presented below as well as for some references to other relevant works.*

One of my favourite sayings is "the only interesting answer is that which destroys the question". The question we have before us today is the public funding of Canadian higher education sustainable? Instead of destroying it, I want to talk about two possible ways of orienting ourselves to this question and suggest that we focus on the less popular one. Whereas many people address the sustainability of public funding **quantitatively**, it seems to me that we should address it **qualitatively**. That is, rather than discussing the amount of public funding that Canadians can or should invest in our universities, we should instead discuss whether public funding is sustainable in the sense that resources are being used efficiently and in ways that protect and preserve our universities and their social contributions both now and into the future.

My argument today is that the public funding of Canadian higher education is decidedly not sustainable in the qualitative sense. The nature of this funding is producing social relations and practices in our universities that are increasingly wasteful of public dollars and damaging to the mission and future of higher education in our country. I will further argue that whether we reduce or increase the amount of public money invested in our universities right now, this situation will not substantially change. For the problems inside our universities are not in the first instance products of too much or too little money, but of the vision that directs the ways that that money is used. From this it follows that if we want to protect and enhance our higher education, it is the vision that shapes public funding that we need to address first. Then, and only then, should we begin to debate and organize around amounts of public funding, and by that time both the nature of our debate and the strategies available to us will likely be quite different.

My presentation is organized as follows. First, I will talk briefly about the vision that shapes the uses and effects of the public funding of higher education in Canada. Then, to show that and how it is unsustainable, I will focus on one particularly wasteful set of university practices to which it is giving rise. In the latter half of my talk, I will turn to the question of strategy. Here I'll touch on the current economic climate and how we can use it to our advantage to promote greater sustainability both within our universities and in our financing of them.

The public funding of Canada's universities is not, nor has it ever been, simply a question of money. There has always been a vision that has shaped this funding and that has been realized, however imperfectly, through this funding. In Canada, since the early 1980s, the federal government's (as well as provincial

governments') conception of our universities has changed from a public resource for social development to a key instrument of national economic competitiveness, and its funding practices have both embodied and helped to realize this vision. Thus, over the last thirty years, our universities have more and more come to work for, with, and as corporations - to act as knowledge businesses rather than as public serving institutions. Of course, this corporatization process has stemmed from more than just government funding practices and the vision inherent in them; however, they have been fundamental to it.

Throughout my academic career, I have made the case that this corporate vision and the transformations it has generated are unsustainable as they are far more costly, both literally and figuratively, than they are beneficial to our universities and to the public interest. For example, when universities do contract research for corporations, individual professors and businesses may financially benefit, but the university and the scientific enterprise are seriously harmed as resources are diverted from more scientifically or socially valuable investigations, and as secrecy, competition, and managerialism displace traditional academic practices and values of openness, collaboration, and collegialism. Similarly, when a university engages in the commercialization of knowledge, some academics, units, and/or the entire institution may be enriched, but other universities, businesses, and the public are impoverished as knowledge and/or products become unaffordable or otherwise inaccessible, and as the growing problems of academic dishonesty and fraud undermine the quality, reliability, and safety of university research. Whereas outcomes such as these might be sufficient to make the case that the public funding of higher education is unsustainable, there is a newer, and relatively overlooked, development within our universities that I have become increasingly concerned about and that I'd like to focus on to make my case today. This is our universities' growing adoption of a range of corporate-inspired practices aimed at increasing their shares of system resources including research grants, students, "star" faculty and administrators, reputation, etc. I refer to these practices collectively under the heading of "resource competitions".

While our universities' growing engagement in, or spending on, resource competitions makes a kind of sense when viewed from the perspective of individual institutions, when viewed from a systemic or national perspective, it is highly wasteful - and increasingly wasteful - of precious public funds. Additionally and more importantly, it directly and indirectly damages our universities and their social contributions in both the short and the long term. Given limitations of time, I cannot describe this kind of spending in great detail, but let me give you three examples to clarify what I mean.

One place where our universities are investing more and more resources is in the pursuit of external research grants. In order to encourage members of their "research teams" to apply for grants and to help them succeed, administrators (and academics) are spending extraordinary amounts of resources publicizing funding opportunities, organizing workshops on preparing grant applications, establishing formal and informal programs to strengthen and/or vet grant applications, providing seed money to support the production and revision of grant proposals, hiring staff to help academics enhance their grant applications, etc. They are also taking more steps to celebrate and reward successful grant applicants of their own and attempting to recruit or

to poach "research stars" from other institutions by offering them a range of generous benefits and perks and, sometimes, engaging in bidding wars with other universities who are doing the same. When one takes a systemic perspective, this significant and growing investment of funds is a prime example of wasteful spending. Given that the amount of available grant money is not increasing in proportion to the additional resources being expended in seeking it, this spending provides a poor and diminishing return on the public dollars being invested in our universities.

As an aside, another twist on the issue of waste in grant competitions stems from the fact that the rewards academics reap from their granting successes are generally commensurate with the size of their grants. This gives faculty members incentive to seek and to spend as much research money as is possible, rather than as much as is necessary.

Our universities are also spending more and more money on efforts to recruit and retain students. They are dedicating significant resources to developing their brands and to mounting advertising campaigns (that play out in newspapers, on billboards, in subway stations, in movie theatres, on the internet, etc.) to raise their profiles and attract students to their institutions. They are also stepping up their direct marketing to "star" students, offering them early admission, generous scholarships, and sometimes even visiting their homes. Here too the logic and value for money of this use of university funds are quite dubious. From the perspective of the public interest, it makes little sense for our universities to divert precious resources from their core operations in order to persuade, much less bribe, students to attend them.

A more general aspect of university spending on resource competitions involves their contracting out more internal activities to external consultants who are far more expensive than either in-house experts or other members of the university community and are far less familiar with the nature, history, and needs of the institution. For example, in 2002, York University was widely believed to have paid millions of dollars to a private firm to develop its new visual identity, even though it had its own designers on staff, not to mention a talented Fine Arts faculty. It is also becoming the norm at many universities for head hunters, rather than members of the institution, to run searches for key administrative and academic positions, and private companies are getting involved in a host of other university activities from strategic enrolment management, to institutional planning, to fundraising, etc. This growing use of external consultants seems particularly wasteful in the wake of the huge and costly increase in recent years in universities' administrative complement that is presumably hired specifically for such corporate purposes (and which is itself both a cause and consequence of resource competitions and thus arguably constitutes another questionable use of public funds).

While there are numerous other examples of universities' involvement in resource competitions, even these are sufficient to show, I hope, that the corporate vision of our universities and its attendant funding practices are deeply unsustainable. They are unsustainable in the sense that they lead universities to use resources inefficiently - and increasingly inefficiently - as universities continually up each other's ante in a competitiveness "arms race", and as universities become increasingly structurally dependent on resource

competitions. (For instance, as the diversion of funds toward marketing and student recruitment campaigns adversely affects the quality of university education, successful advertising becomes all the more important in terms of attracting students). The vision and funding of higher education are also unsustainable in the sense that they fail to preserve and protect our universities, and indeed cause them short-term and long-term harm. As our universities gamble more and more public resources in the hope of winning additional resources, they have progressively fewer funds to devote to maintaining let alone improving their core operations by increasing their faculty complement, promoting teaching development, supporting research, democratizing their governance functions, keeping tuition fees affordable, etc., all of which would make far greater contributions to the institution and those whom it serves. And as acquiring resources becomes a prime focus of our universities, other essential practices and values, such as thinking against the grain or prioritizing public service, are progressively neglected and displaced, much as they are for compulsive gamblers who lose their way.

Before turning to how we should respond to the unsustainability of higher education funding, I want to pre-empt a possible critique of my argument. Whereas I have claimed that university spending on resource competitions is a result of the quality or nature of the public funding of Canadian higher education, some might want to counter that it is actually a product of the amount of public funding, and specifically of the inadequacy of public funding. They would argue that it is funding cuts that have compelled our universities to behave in these and the other wasteful and harmful ways I mentioned earlier, and that by increasing public funding, and properly funding our universities, we can eliminate the problem.

To me, this is an inaccurate and potentially harmful reading of the situation. Universities are engaging in resource competitions not simply or primarily because levels of funding are inadequate. They are doing this because they have been conceived as and made into knowledge businesses, and competing with their counterparts for greater shares of system resources, rather than collaborating with them to serve the public interest, is how private businesses operate. Evidence of this is that universities have continued to invest in resource competitions – indeed they have significantly ramped up their investments in these competitions – not only in times of austerity but also in years, such as the late 1990s, when public funding for our universities was significantly increased. Increases in public funding did not produce any change because the corporate vision that shaped that reinvestment (and how universities could respond to it) did not change. Universities continued to be conceived of as knowledge businesses, and government funding continued to promote corporatization and competition in a variety of complex ways, including through generous programs that are performance based (such as the Canada Research Chairs and the Indirect Costs of Research programs) or that require corporate partners or matched funding (such as some programs of the Canada Foundation for Innovation).

I would further add that the quantitative explanation of wasteful university spending is not simply inaccurate but potentially harmful, because it can produce strategies that are ineffective if not counterproductive. If we inject more money into the system without first addressing the corporate vision that directs it, we will not diminish, but may actually further advance, corporatization and the unsustainable practices it generates. It will be like gas adding more coal to a train that is heading in the wrong direction.

So how do we go about making the public funding of Canadian higher education more sustainable? While I have no easy answers, I believe that we need to work on at least two fronts. First, we need to challenge the corporate vision of our universities directly by speaking, writing, and organizing against it and by formulating and championing a more suitable and respectful alternative. At the same time, we can and should challenge this vision indirectly by trying to reverse some of its harmful effects, much like attending to the symptoms of an illness can build the capacity and momentum to resolve the underlying problem. There are many effects of corporatization that we should challenge; however, in the current economic climate, when the public is, and will become, increasingly concerned about the issue of wasteful spending, university involvement in resource competitions might be a particularly timely and effective choice. The public is likely to be receptive to a critique of wasteful university practices and to be supportive of measures to remedy it. Further, if we craft our arguments and strategies carefully and skilfully, we may not only be able to undo some of the specific harms that have been done to our universities, but we may also help establish a general climate that is unfavourable to the corporate vision and that allows a more sustainable alternative to take root.

In closing, let me give you three examples of specific ways we could challenge wasteful spending on resource competitions and promote greater sustainability both within our universities and in the vision that shapes how we finance them. I offer these examples less as prescriptions for action than as food for thought and as a starting point for discussion.

One step we could take is to pressure universities to redirect some of the resources they currently spend on external research grant competitions and to invest them in in-house research support. With more research funds available inside our universities, and with less onerous application and adjudication procedures, both the granting success rates of academics and their actual research output would likely increase. To further maximize the return on the public's investment in academic research, we could insist that universities support, encourage, and reward faculty members for using research resources as conservatively, rather than as liberally, as possible which is presently the case. Various spin-off benefits could flow from this approach, including the production of greater diversity, collaboration, and creativity in academic research.

We could also encourage our universities to reduce the amount of resources they invest in recruiting and retaining "star" faculty and students and to apply funds instead toward making their institutions more generally attractive as places to work and to learn. It would be ideal to involve members of the university community in campaigns to enhance the institution's environment, as this kind of engagement could in itself enliven and enrich the university atmosphere and increase its appeal to students, faculty, and others. Similarly, we could pressure our universities to redirect the money they currently spend on branding and marketing campaigns toward enhancing the quality of the education they offer and, thereby, their reputations. This would produce a far more powerful and enduring draw than slick newspaper ads or movie theatre commercials.

Finally, rather than contracting out activities to external and expensive "experts", we could encourage

our universities to call upon institutional and/or local talents to carry them out: fine arts, business, and other students could help design institutional logos and other promotional material; faculty could conduct administrative and other hiring searches; qualified members of the surrounding community could participate in university task forces and evaluations. Involving the academic and surrounding communities in these activities would not only help reduce the university's costs, but the quality of the outcomes might be significantly enhanced given participants' greater knowledge of, and investment in, the institution. This approach could also cultivate a renewed sense of community in the university and greater public commitment to, and pride in, the institution, none of which are produced by the corporate approach that currently prevails.

Particularly in the current economic context, these strategies have much to recommend them. They simultaneously make more efficient use of public resources while rehabilitating and enhancing our universities and their social contributions. They may also inspire and generate additional such measures thereby setting a benevolent cycle into motion. As well, given that they lead to more judicious and productive uses of taxpayer dollars, these strategies are likely to restore and increase the public's goodwill toward our universities, which may come in handy down the line if and when funding increases are needed. Most importantly, however, such strategies can generate both material and ideological conditions that are increasingly hostile to the corporate vision of our universities and inviting of a more sustainable alternative. Among other things, they do this by promoting greater collectivism, engagement, participation, and creativity in the university, and by encouraging people to relate to the institution not as employees, clients, or investors, but as citizens and stewards of the institution who need to think and act holistically and with a long-term vision as opposed to being focused on the immediate bottom line.

Needless to say these three strategies won't, on their own, transform the corporate vision that shapes the nature and effects of the public funding of higher education. However, the promotion of these and other sustainable practices within our universities has great potential to weaken that vision, thereby making it easier to dislodge and replace. Once, and only once, this task has been accomplished, it will be a pleasure to discuss and debate the **amount** of public funding that our nation's universities need.