

What Does Government Want from Universities? Recent Patterns in Higher Educational Policy

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What does Government want from universities, and how has it tried to obtain it? Are there patterns in the conduct of university-government relations that can inform our understanding of current, and future, policy directions? When you put such questions to a historian of education, you're risking a treatise on "lessons from the past." When the question goes to a historian who is also a Dean of Education, you are risking a treatise on lessons from the present. Wearing both of these professional hats, I cautiously approach the subject of the interaction between universities and government. I will resist the temptation to begin my exposition in Medieval Europe, which is where historians often start their lectures on higher education – instead I will focus on the very recent past: the Chretien years in Ottawa, and the Harris years in Ontario. McGuinty and Rae will have important, if subordinate roles, in this presentation.

I'm going to divide my comments into three sections: first, I will discuss, in a summative way, federal policy towards universities in the Chretien years; then I'll turn my attention to the provincial scene, specifically Ontario, the province I know best. Thirdly, I'll point to some issues

of current and, I anticipate, ongoing concern that will, in my view have an impact on university life in the era that lies ahead. My comments will also reflect my own values and views about what matters most in the world of higher education. I speak to you today not as an official representative of York but as an academic with a specialized interest in the scholarly study of higher education.

Notwithstanding provincial jurisdiction over higher education, the decade in which the federal government was led by Jean Chretien, 1993-2003, had a significant impact on universities. It can be divided into two periods, - the first flowed from the 1994 federal budget, intended to reduce the deficit to 3 per cent of GDP. This led to some 6 billion dollars being withdrawn from the areas of health, education and welfare through to 1998. Federal cuts contributed to the erosion of all government funding for post-secondary education; in the country as a whole, the public sector covered 64 per cent of university operating costs in 1993-94 and 55 per cent in 1998-99.

But the second phase of the Chretien era begins at the end of the 1990s, and for reasons historians and political scientists ought to probe in depth, the federal government suddenly discovered the importance of universities to national life. Recall the initiatives:

\$ The Networks of Centres of Excellence Program, started under the Mulroney government, was spotlighted and made Apermanent@ in 1997. By 2001, 29 networks Adeemed strategically important to Canada=s prosperity and international competitiveness@ had been established.

\$ The Canada Foundation on Innovation was founded in 1997 with a one billion dollar budget, a program similarly intended to link the university with non-university, generally private sector, partners.

\$ The Canada Research Chairs program was intended to lure ex-patriot scholars back to Canada and to keep Astars@ from leaving. While open to academics in all fields, the awards have gone disproportionately to those in the medical and applied sciences over the humanities and social sciences.

\$ The Canadian Institutes of Health Research was created in 2000, replacing the Medical Research Council, and focused on health systems, biomedical and clinical science - also designed to stimulate research in Canada and serve the needs of the Aknowledge-based economy.@

\$ The government also created the Trudeau Foundation Fellowships to support academic work in the humanities and social sciences

\$ In 1998 the Social Sciences and Humanities Research Council saw its budget restored to 1994-95 levels, and SSHRC is currently undergoing a structural and programmatic transformation designed to heighten its profile and enhance its resources.

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For my sins, I was, and remain, York University's delegate to the SSHRC consultation sessions and I chaired our university's committee which wrote a report to SSHRC on the proposed

transformation. To make a very long story very short, it is fair to say that SSHRC believes its future health, and that of social science and humanities research in Canada, depend on its ability to convince politicians – and, if possible, the public at large - that the soft disciplines matter to Canada. Led by the energetic Marc Renaud, this is an awesome challenge whose outcome is still uncertain. Mr Renaud wants to triple SSHRC's budget in the next five years. While no sector of higher education is adequately funded, the humanities and social sciences, which include the majority of Canadian professors and students, are proportionately, compared to the sciences and health areas, least well off.

This general issue of the future of SSHRC, particularly that of the standard research grant program which sustains foundational research in Canada, is important, because it raises the question of the degree to which public funds should continue to support academics who do not identify with grand national policy schemes designed to improve Canada's competitiveness and contribute to the knowledge economy, a term heard so often in recent years, that it has become a new academic mantra or cliché.

I, too, worry about research and other academic programs designed by external authorities to direct the work of academics - essentially on the grounds that some topics are more socially and economically pertinent than others. I don't believe that there is any such thing as irrelevant research or teaching, though there certainly is mediocre research and teaching, and we should attend to that. But so long as academic work is conducted responsibly and professionally, all topics are legitimate subjects for academic exploration. The university is the only institution in society that encourages students and professors to follow their intellectual interests wherever

they lead, to take what, to all the world is an obscure issue, and make something intellectually substantive from it. Through this process, information is gathered, evidence is assembled, hypotheses are developed and tested, positions are defended or refuted, and creative work is, or should be, the result. These, in the end, are exceedingly practical skills - done well, they provide students with tools that can be applied in many occupations. In addition, the work conducted by the professional academic contributes to the national storehouse of knowledge, which I believe is intrinsically worthwhile. That storehouse, in a variety of ways, may also have unanticipated social and political pertinence. Some scholars exploring ancient religious texts in the middle and far east, and who have taught themselves unfamiliar languages in order to do so, are now being sought out to help explain what's going on in those parts of the world today. When Margaret MacMillan began her research for the book, *Paris 1919*, neither she, nor anyone else had any idea that it would become the publishing phenomenon it has, helping, among other things, to explain the origins of current political conflicts in the Middle East. (She couldn't find any Canadian publishers because even they thought the topic had no market).

Who knows what knowledge will matter, in an applied sense, in the future? Generally, not the government or research agencies, and they should reign in their inclination to determine the topics and direction of academic research. I certainly understand the need for university officials to communicate clearly and persuasively to politicians, policy makers and the public about the work academics do, and for the academics in universities to engage in problem-solving policy work. But foundational teaching and research in the humanities, the social sciences and the sciences, ought to be vigilantly protected, because these are so central to the university's core purposes. Now, if I pursue this theme, I'll merely be reiterating the paper I gave here two years

ago, but it does underscore my view about what makes higher education distinctive and so valuable...

Pardon that digression, and now back to the Chretien years, and its higher education policy initiatives:

\$ Support for research was signalled by funds for the indirect costs of research, allocated first in 2002, which has surely been a critical step forward for all universities. The task is to ensure that that support is permanent.

\$ Ottawa paid some attention to students, and to the issue of accessibility. The Millennium Scholarship Program offers awards to more than 90,000 students, in a rather odd amalgam of scholarship and bursary principles. The money goes to the best students who are deemed sufficiently needy. Paul Martin's 1998 budget defended the program in this way: he said it would give the federal government a role in preserving the Canadian middle class in an age of globalization. @

\$ Then there was the Canada Graduate Scholarship Program, announced in 2003, which provides significant support to Masters and doctoral students...maybe even too much in the case of the latter. In the SSHRC consultations, we heard graduate students themselves, though not necessarily the recipients of the grants, objecting to the amount - \$35,000 per year - that doctoral students receive. Critics want the money to be redistributed in smaller amounts to more people.

\$ The government also introduced the RESP savings scheme designed to encourage Canadians to plan for their children's higher education, and the program was enriched in 1998.

Can one conceptualize, rather than merely list, these rather unprecedented and important policy initiatives taken over the past decade? As I suggested, once interviews are conducted and cabinet papers become available, that's a story the researchers need to answer, but so far, I have inferred the following. A number of well placed cabinet members shared with Prime Minister Chretien a belief in the importance of new knowledge as a critical component of the engine driving the Canadian economy. (Chretien's support for research, evidently, could be attributed, too, to the influence of his brother, the medical research scientist, Michel Chretien). In addition, the lobbying on behalf of the universities was heavy and effective. Thus, policies seen to be of economic value were especially well received. Statistics demonstrating Canada's relatively unfavourable showing in its support for research, in comparison to other developed countries - and these numbers are not hard to assemble - also appeared to be quite influential.

The government's interest in student support probably reflected its sensitivity to the issue of access to higher education- middle class Canadians, let alone the poor, as Martin implied, are very concerned about growing educational costs in the wake of the erosion of public funding for universities and colleges. Like accessible health care, affordable higher education has always been one of Canada's defining myths - so if fees are high and getting higher, loans and bursaries need to be visible and promoted. The Millennium scholarship Program elicited a great deal of

favourable publicity, though questions have been raised recently about its effectiveness in fostering access. Thus, in policy terms, the theme of education and the economy, and of access and opportunity, resonated with the policy makers. Graduate student support can also be linked to a recognition of the need for faculty renewal, so that universities can continue to contribute to the economic development of the country.

Notwithstanding all of these well-received initiatives over the past decade, it is still the case that Canadian universities remain poorly funded relative to other western countries; that Canada continues to face major challenges in the access area (it should be noted that participation rates in higher education in Europe are rapidly approaching, and in some cases surpassing, those in North America); that universities have coped with operating grant cuts by hiring huge numbers of part-time faculty; and that many of our universities, literally, are falling down - money for infrastructure is required but has not been adequately, if at all, provided, from any government level. Thus much of the support in recent years could be considered catch-up from an era of cutbacks.

Overlaying, or perhaps undermining all of this is the concern with public expenditure, and the growing resource competition from, and political priority of, health care, which could absorb every public dollar and evidently still not meet our needs. What universities, and every other sector receives, now and in the foreseeable future, is very much linked to funding decisions in the health care area, and that too, is part of the political, and policy making, reality.

Let me turn to the provincial scene, and a review of policy development in Ontario in recent

years. As we shall see, policy themes, similar to those of the federal government, have emerged under parties with different political stripes. Instrumentalist policy initiatives, designed explicitly to link higher education directly to the economy, are largely associated with the *Common Sense Revolution*, which began under the Mike Harris Conservatives in 1995. In fact, these tendencies were evident earlier, both under the Liberals, who governed from 1985 to 1990 and the New Democratic Party, which held power from 1990 to 1995, and they continue in the wake of the Harris government.

Significantly, the Premier's Council Reports of 1988 (entitled *Competing in the New Global Economy*) and 1990 (entitled *People and Skills in the New Global Economy*) stressed the important economic role of universities and colleges, particularly in the preparation of scientists, engineers and technologists. The 1986 Ontario Centres of Excellence Programme (followed later by a similar federal initiative) invited universities to compete for funds that generally favoured applied research projects in the sciences. The NDP's interest in the economic-education agenda was accompanied by an equity-driven social policy itinerary which was intended to include post-secondary educational institutions. It also sought to increase student transferability between colleges and universities, and to enhance [higher education's] role in the development of higher value-added skills and higher-achieving people.

Over this period, conditional, targeted grants became an increasingly important component of operating funds allocated to the higher educational sector, as governments sought, more and more, to set academic priorities.

The Conservatives won the election of 1995, riding the wave of their commitment to the Common Sense Revolution, whose pillars included tax cuts, a shrinking of the public sector, the increasing privatization of government-funded programs, and, in the case of higher education, the assignment to universities and colleges of prescribed economic goals. In 1996-97, the overall operating grant to universities was reduced by 14.9 per cent, or \$1.55 billion. This dramatic cut intensified the trend over the decade which saw the percentage of total university funding covered by provincial grants drop from 55.1 per cent in 1991-92 to 39.6 per cent in 1999-2000, 7.4 below the national average. Fee increases, including the full de-regulation of tuition for graduate and some professional programs, offset a portion of this lost public funding. At the end of the decade, as enrolments continued to rise, the financial needs of universities were palpable, and new funds were injected into the system. However, they came attached to very tight strings.

The conceptual framework of government policy drew in part from the December 1996 Report of the Advisory Panel on Future Directions for Postsecondary Education headed by David C. Smith, principal of Queen's University, which recommended a less regulated environment for Ontario higher education, a greater degree of accountability by Ontario's autonomous universities and colleges, and clearer assessments of institutional performance. The Panel also pointed to serious inadequacies in total financial resources for postsecondary education, and called for funding levels that matched those comparable to the average for other Canadian provinces and those of public universities and colleges in the United States. Among the Report's most controversial recommendations was its proposal to permit higher educational institutions to set their own tuition fee levels so long as a significant proportion of this increase was used for student financial assistance. It called for more partnerships between public and private sector

institutions, for easier transferability of students between colleges and universities, and for legislation allowing privately-financed universities...the authority to grant degrees. Finally, the Panel recommended the creation of an advisory body to provide sustained, arms-length analysis of post secondary education. While a number of the Report's recommendations influenced government policy, the latter did not. The intermediary body between government and universities, the Ontario Council on University Affairs was abolished soon after the Conservatives returned to power, and has never been replaced.

An equally important articulation of the government's market-driven approach to higher education was the 1999 Report of the Ontario Jobs and Investment Board, which stipulated that Educational institutions and providers need to meet the needs and expectations of all their clients (learners, parents, and employers) by striving for excellence at all times, fostering entrepreneurship and innovation, and being responsive to the needs of the economy. To achieve these goals they should expand their partnerships with one another and with business.

The government believed that investment in technology and applied science was the road to economic prosperity; consequently, it implemented the Access to Opportunities (ATOP) program in 1998-9 which was designed to double the number of student places in computer science and engineering. Universities quickly adapted their program offerings to take advantage of these new funds. The Ontario Research and Development Challenge Fund provided support for applied projects that were able to secure private corporate sponsorship, mirroring the goals of the new federal agency, the Canada Foundation on Innovation. To meet growing enrolment pressures, particularly in light of the pressure of "double cohort," the government provided

accessibility funding, and it inaugurated the unprecedented Superbuild Program which poured \$742 million into selected capital projects (favouring technology and business areas) on the condition that an equal amount of financial support be raised from the private sector, which predictably, was an unrealistic aspiration.

To encourage universities to be more accountable to the taxpayer and more responsive to the requirements of the labour market, the Ontario government, following trends elsewhere in Canada and abroad, introduced (in 2000-01) a performance indicators, a scheme which financially rewarded universities on the basis of institutional graduation rates, and the employment record of graduates 6 months and 2 years after graduation. The province's formula, responsible in 2000 for the distribution of half of all new operating funds to universities, failed (and fails) to account for such factors as academic innovation, the quality of student scholarship, or the university's service to the community. Ann Dowsett Johnson, who has overseen *Maclean's* Magazine's annual ranking of Canadian universities since 1991, described the Ontario system as bizarre because its criteria were so narrow and incomprehensibly punitive. For example, two years after graduating in 1997, an average of 96.4 per cent of ex-Ontario students were employed, and the differences between the success rates of those institutions which received P.I. funding and those which did not were, in a number of cases, statistically insignificant. Dowsett concluded that the system was nothing but folly, parading in public as accountability, a critique, incidentally, that could be, and has been made of the *Maclean's* rankings themselves.

Increasingly, market-based values were shaping higher education policy in Ontario. In December 2000, the government passed the Post Secondary Choice and Excellence Act, which allowed

both non-profit and for-profit private universities to be established and to offer degrees in the province. Such institutions would receive no capital or operating grants but their students would be entitled to the same level of provincial financial assistance as those in publicly funded universities. The legislation also enabled the Minister to permit Ontario's community colleges to offer Bachelors' degrees and, essentially, to become universities. The government also authorized the creation of a new institution, the University of the Ontario Institute of Technology (an outgrowth of a local community college), which was designed explicitly to offer market-driven programs.

Some hoped that private higher education would lead to the establishment of Harvards of the North, that is, prestigious and well-endowed universities that would offer academic competition to the educational monopoly exercised by publicly-assisted institutions. The former, at least, was highly unlikely, just as it was several years earlier when the Ontario Council on University Affairs investigated the issue, held public hearings, and rejected the private university option. It argued that even a relatively wealthy jurisdiction like Ontario is not able to support high quality private institutions without recourse to some level of public assistance. It noted that in nearly half of the states in the United States, private institutions are given some help by state and local appropriations, an outcome even more likely in the wake of World Trade Organization fair treatment trade rules. The Council, with some degree of accuracy, predicted that small religious colleges and business and technical institutions would be the first off the mark to seek authorization as degree granting universities in Ontario. Several teacher education programs from American border colleges and from Australia have also sought recommendations for certification from the Post-secondary Education Quality Assessment Board, which receives all

such applications from educational institutions outside the province. The Faculties of Education believe that with adequate funding the 12 public programs for teacher education in Ontario can meet the need for teachers in the province. We worry that a market-based system, involving private institutions from abroad may lead to a lowering of admission standards - something that would hardly enhance the quality of teacher education in the future, particularly if these institutions are attended by students who were unable to gain admission into existing institutions. Here then, more evidence of the (previous) government's interest in explicitly linking higher education to the marketplace.

Like its federal counterparts, the Ontario government also responded to concerns about access and opportunity by creating the OSOTF (Ontario Student Opportunities Trust Fund), a matching grant program for student bursaries, and in a flurry of last minute planning, it provided universities with funds to meet the enrolment pressures generated by the double cohort - the huge high school enrolment blip created by the abolition of grade 13 in Ontario.

For all of their ideological differences, the policies initiated by the Conservatives resembled those of the federal Liberals in important ways in that they were focused, first, on the perceived role of education in the economy; secondly, they indicated some sensitivity to public concern about the growing private costs of and accessibility to higher education, and thirdly they were driven as well by broader concern about public finance and the pervasive provincial deficit.

The re-assumption of power by the Liberals in Ontario in 2003 has not essentially changed these patterns, but has produced some surprises. The Liberals continue to talk about the importance of higher education in terms of its role in the economy. Consider these terms of reference for the recently created Rae Commission to review the post secondary educational system. It refers to the need to **A**build the skilled workforce...in an innovative economy@ that assesses the appropriate sharing of costs of postsecondary education among the government, students and the private sector.@ But the affordability and accessibility of higher education are also key issues, and so it asks the Rae Commission to **A**identify a student assistance program that promotes increased access to

postsecondary education.@"

The surprises come from the failure of the Liberals to continue with some of the new funding initiatives introduced by the Conservatives – though in fairness, we do have to await the Rae Report, and the response to it, to determine how much money will be available. Will there be genuinely new funding, or will old funding be reallocated and called new? The Quality Assurance Fund introduced by the Conservatives, and which was intended to rise to \$200,000,000: will it be permanently suspended or replaced? Current university planning had been based on the preservation of this program. The government announced a sudden end to the Matching Grants research program which supported CFI infrastructure funding, though there was some backtracking that protected the fund until the end of the current fiscal year, in response, I understand, to some furious lobbying. And they have signalled an end to the OSOTF program of matching grants for bursaries and scholarships – though the fate of this program may await the Rae report. This program has proven to be an incredible resource for building up support for student assistance, and for attracting matching funds in terms of donations. The weakness of the program is that it has tended to exacerbate resource gap between universities with large endowments and those with less, and if such a program is extended, this inequity should be addressed. An end to mandatory retirement is also on the legislative agenda. Whatever the merits of the case for an end to mandatory retirement in terms of social policy, the costs of such a policy will be high, adding to the financial burden of universities. So, the perceived link between the economy and higher education, some attention to the issue of access and opportunity, continuing concern about deficits and taxation levels,

and competition from the health sector have in the recent past, and arguably much longer, and growing intervention by government in university affairs have shaped public policy in the world of higher education, and I don't anticipate any change to this pattern. This is my reading of federal policy and Ontario provincial policy, and I believe is the case in other provinces as well.

While I have provided a kind of macro picture, none of us, of course, is able to speak to the details of future policy. Government funding once provided some degree of stability. This has not been true for quite some time. We really don't know how much money will be coming, and we don't know what form it will take. We can reasonably assume that it will be conditional and targeted – an approach employed recently by governments of various political stripes. Economic imperatives, concerns about access and affordability (around which governments may well be politically vulnerable), and the broader fiscal agenda (deficits and health care) will, in all likelihood, drive their agendas and funding approaches.

Thus, what are some implications that flow from this analysis?

1. First, is the need to preserve liberal education for reasons I suggested earlier. The unrestrained exploration and conveying of knowledge is the core purpose of higher education - I make a sustained argument for this in my book, *Values in Conflict*. Research support for all universities is necessary – there should be no institutional tiering. Foundational research is essential, and within and across our institutions, collaborative,

interdisciplinary research among the sciences, social sciences, the professions and the liberal arts, should be fostered. If we abandon liberal education, we will be teaching and studying in institutions that have morphed into something other than universities.

2. Every effort must be made to preserve the autonomy of our universities, which has been eroded in recent years. Having said this, Ontario's institutions, and those in other provinces do still enjoy a considerable degree of autonomy. Government has not chosen yet to directly insert itself into faculty hiring and curriculum development. Universities here and elsewhere must guard against new initiatives that further curb institutional autonomy and academic autonomy. On the accountability side, Ontario universities already must submit scores of reports annually to the government – not including the hundreds of reports on individual research projects that are filed annually to provincial and federal agencies. The former, in particular, is an extraordinary use of resources for frequently questionable ends. The system would benefit from a measured, rational, and sensible approach to governance and accountability.

3. Should there be a new intermediary body situated between the government and the universities, as there was in the past, before it was abolished? There are arguments for and against this move, and the question is being taken up in the Rae Review. Arguments for: an arm's length body could contribute to the de-politicization and diminishing of the ad hoc nature of policy making in higher education. With appropriate research facilities, it could approach issues in higher education more effectively system-wide, and serve to reconcile conflicts of interests which inevitably exist among universities and between

universities and colleges. It might also provide the basis for developing multi-year funding plans. We should recall that such a body – the Committee on University Affairs - was instrumental, and arguably chiefly responsible, for facilitating the expansion of higher education in 1960s. Its existence owed in part to government's view that university autonomy was important and should not be sacrificed as the system grew. In 1970s the OCUA, in my view, helped shield universities from arbitrary, ad hoc treatment at a time when resources were increasingly strained.

But there is nothing inevitably positive about a new intermediary body. It is not a panacea. If it becomes an instrument used to impose government driven accountability schemes on universities, or if it is merely a vehicle for representation of particular institutional and political interest groups, it won't succeed, and will add a new expensive level of unnecessary bureaucracy to the system. It will depend entirely on what the mandate of the body is, and who sits on it. My impression is that the universities believe that, despite some significant obstacles, they have accomplished quite a lot in recent years by working directly with government, and this could be another argument against the creation of such a body. On balance, I would express cautious support for a new intermediary body.

4. In light of all of these financial and political uncertainties, in a more competitive environment, and in a more market-driven universe, universities must plan with the understanding that uncertainty will continue. (This is true in education and every other sector, public and private). They must draw up scenarios and be prepared to adjust plans in midstream. This has been the reality of recent years and it is the paramount challenge

faced by contemporary university administrations. And, I should point, administrators and faculty must collaborate to meet these challenges effectively.

5. Finally, I recommend that universities pay particular attention to the teaching and learning experience. In the face of more competition than ever, students will take their dollars to places that best meet their needs. In attracting students we should be mindful of the paramount need to preserve quality. If the admission bar is lowered in the interests of meeting enrolment targets, the whole system will suffer the consequences, and the value of the university degree will be diminished.

We live in challenging times. Good luck to all of us.