

Post-secondary education in the Chrétien years

THE FEDERAL ROLE IN POST-SECONDARY EDUCATION

Constitutionally, post-secondary education falls within provincial jurisdiction, but throughout Canada's history, the federal government has, in selected areas, participated actively in university and college affairs. It created the National Research Council in 1916, regulated university admission policies during the Second World War, provided direct grants to universities beginning in 1951, established the Canada Council in 1957, funded the expansion of colleges and technical education in the 1960s, and initiated, with provincial collaboration, the Canada Student Loans Program in 1964. Always wary of federal incursion into their realms, the provinces (with the periodic exception of Quebec), have welcomed, or at least tolerated, Ottawa's higher educational initiatives, because they have generally been accompanied by significant fiscal transfers.

In the Chrétien years, this attitude continued. But the past decade had some unique characteristics. It began with dramatic cuts to social spending, including higher education, and ended with a flurry of initiatives designed to draw universities into a national economic development strategy. In an era of globalization, university-based research, in particular, was identified by the federal government as a critical instrument in the cultivation and sustenance of a "knowledge society."

Following its election in 1993, the Chrétien government's first order of business was a deficit reduction initiative affecting virtually all programs. The 1994 federal budget set out to reduce the deficit to 3 percent of GDP; subsequently, some six billion dollars were withdrawn from the areas of health, education, and welfare through to 1998. A proposal by Lloyd Axworthy, minister of human resources and development, to fund universities on the basis of a "contingency

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loan repayment scheme," through which students would be charged higher tuition fees and repay loans on the basis of their post-university incomes, foundered in the face of strong opposition. Instead, the federal government introduced the Canada Health and Social Transfer, which replaced the system of Established Program Financing, and led to a dramatic reduction of support for higher education. Federal cuts contributed to the erosion of all government funding for post-secondary education; the public sector covered 64 percent of university operating costs in 1993-94 and 55 percent in 1998-99.

THE FUNDING TURNAROUND

Toward the end of the 1990s, for reasons future historians ought to probe in depth, the federal government suddenly discovered the importance of universities to national life. The Networks of Centres of Excellence Program, initiated under the

Mulroney government in 1989, was spotlighted and made permanent in 1997. Designed to "close the 'gap' between academy and industry, and to make scientific research more commercial," the NCE, according to one study, represented "the most dramatic change in the nation's science policy since the [creation of the] National Research Council." By 2001, 29 networks, "deemed strategically important to Canada's prosperity and international competitiveness," had been established.

Another pillar of the federal government's economic development scheme was the Canada Foundation on Innovation (CFI), founded in 1997 with a one billion dollar budget. The funds were to be awarded on a competitive basis to universities deemed to have the most strategic and economically promising research programs. An independent Board of Directors has governed the foundation, which covers 40 percent of the approved project infrastructure costs. The remaining 60 percent must be provided by universities and their (generally private sector) "partners."

Among those academics who qualify for CFI funding are the holders of Canada Research Chairs—an unprecedented federal initiative begun in 1999. This program, designed to lure scholars back to Canada, and to keep emerging academic "stars" from leaving the country, provided funding for 2,000 prestigious research chairs at Canadian universities. While open to academics in all fields, the awards have disproportionately gone to those in the medical and applied sciences over the humanities and social sciences.

BOLSTERING APPLIED RESEARCH

The Canadian Institutes of Health Research (CIHR), created in 2000, was another venture meant to draw universities into public-private institutional partnerships and to stimulate applied research.

Replacing the Medical Research Council, the CIHR focuses on health systems, and biomedical and clinical science, and is intended to enable Canada to “keep its best and brightest scientists and remain internationally competitive in today’s knowledge-based economy.” In addition, the government met a long-standing university request to fund the indirect costs of research beginning in 2002. Overall, Ottawa resolved to raise Canada’s research and development performance from 15th to 5th internationally by 2010.

For 25 years, the Social Sciences and Humanities Research Council (SSHRC) has supported university-based scholarship in the non-scientific fields. In 1998, its diminished budget, along with those of the other federally sponsored granting agencies, was restored to 1994-95 levels. An additional boost to scholarship in the “humanities and humane sciences” came from the inauguration in 2002 of the Trudeau Foundation fellowships, sustained by a federal endowment of \$125 million.

Clearly, however, the federal “innovation” strategy prioritized university work in the “harder” sciences. Although more than 50 percent of Canadian academics are employed in the social science and humanities fields, only 12 percent of federal research funding has been directed to these scholarly areas. Furthermore, SSHRC grants themselves, increasingly, have been tied to “strategic” market-oriented themes such as “education and work” and the “new economy.” Even as Canadian universities welcomed the attention and largesse of the federal government in the latter part of the Chrétien era, they had reason to worry about the future of curiosity-based research, and the fate of undergraduate teaching, in the “knowledge society.”

SUPPORTING STUDENTS

As well as stressing the importance of applied research, the federal government turned its attention to the growing private costs of university education for students and their families. In 2000, it offered the first Millennium

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Scholarship Foundation bursaries to some 90,000 students with demonstrable financial needs. The program also allocated 930 merit-based entrance awards to high performing high school graduates. Within the government, this plan, perceived as one of Prime Minister Chrétien’s “legacy” initiatives, was reportedly the source of a pointed debate between those who favoured a needs-based versus a merit-based system. Concerned about the growing problem of student debt, Human Resources Minister Pierre Pettigrew, changed his mind and opted—as did the program itself—for a mainly needs-based allocation, an approach which duplicated that of the long-standing Canada student loans plan. Announcing the Millennium Scholarship Foundation in his 1998 budget, Finance Minister Paul Martin said it indicated how “crucial” the federal role was in “preserving the Canadian middle class in an age of globalization.”

This high-profile project was augmented by the Canada Graduate Scholarships Program, announced in 2003, which will ultimately fund 2,000 masters and 2,000 doctoral students at an annual cost of \$105 million. Finally, the federal government enriched the registered educational savings plan (RESP), which provides tax incentives for Canadians to save for their children’s post-secondary education. In 1998, the Canada education savings grant was introduced which enabled families to top up their annual RESP contributions by a 20 percent federal grant (to a maximum of \$400).

NEW CHALLENGES TO POST-SECONDARY EDUCATION

Together, Chrétien’s policies appeared to improve Canada’s competitive place in the world of higher education. However, by some important indicators, the country’s position has slipped, and risks further decline without concerted action. In the 1980s, Canada, with the United States, led the world in university participation rates. Currently, it has fallen to the “middle of the pack—well behind the top five OECD nations.” And Canadian governments provided students 20 percent less support in 2001 than they did in 1981—well below comparable American federal and state levels. Furthermore, a recent evaluation of the Canadian Millennium Scholarship Foundation questioned the effectiveness of the program in improving student access to universities, one of its foundational purposes.

Universities face daunting challenges, too, with respect to infrastructural and faculty renewal. It is estimated that deferred maintenance of universities totals \$3.6 billion, and that over the course of the next decade, Canada will require 25,000 to 30,000 new professors. Whether the innovation, recruitment, and financial aid strategies of the Chrétien government play a significant role in successfully confronting these challenges, whether provincial governments are prepared to make similar commitments to educational renewal, and whether higher education in the future is to be valued for its cultural significance, as well as its economic utility, remains to be seen. 