

O Canada

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By Stephen J. Toope and Neil Gross

Recently a remarkable development took place in Canadian public life that has implications for American prosperity. Prime Minister Stephen Harper, leader of the Conservative Party, chose David Johnston, an academic, to be the nation's next governor general.

A strange office by American standards, the governor general serves as the official representative of Queen Elizabeth. It's mostly a ceremonial position, but that's why the choice of Johnston, a 69-year old Harvard-educated law professor who was formerly head of McGill University and the University of Waterloo, is significant. President Obama once taught a few law school courses himself, and there's no shortage of intellectuals in his administration. But the installation of Johnston, a lifelong scholar and teacher, in such a prominent role reflects a Canadian push on higher education – a move endorsed by parties across the political spectrum. That's quite different from what's happening in the States, where spending on higher education is a partisan issue and university budgets are being decimated.

Some inevitable belt-tightening aside, Canadian policy makers at the federal and provincial levels are working hard to spare colleges and universities, preserving as much money as possible for research and operating expenditures and keeping tuition costs affordable. The reason? They recognize that a strong higher education system is key to long-term economic competitiveness and a successful society. If the United States doesn't act soon to shore up its higher education sector, its loss will quickly become Canada's — and other countries' — gain.

That American colleges and universities have been hit hard by the economic crisis is clear. Private institutions saw the value of their endowments plummet. Public colleges and universities have fared far worse. The State of California, struggling under a \$20 billion budget deficit, cut higher education funding by 6.8

percent in 2009-10, furloughing faculty and staff in both the University of California and California State University systems, reducing the number of slots for entering students, and raising tuition dramatically. Budget shortfalls in New York, New Jersey, Arizona, Florida and elsewhere have likewise meant millions of dollars in campus cutbacks.

Federal stimulus money helped cushion these blows, and an expansion of the Pell Grant program, opposed by many Republicans, has provided some relief to students. But the stimulus money is nearly spent, and with the recovery stalled out, American higher education seems destined for more pain in the years to come. Except at the richest institutions, funds for research may become more scarce, tenure-track faculty will continue to be replaced by cheaper part-timers, faculty salaries are likely to decline or remain flat, and teaching programs will be put on the chopping block. Student learning will suffer, and American scientific and technological prowess, historically tied to the fate of higher education, will edge back.

Here in Canada, we're hoping to benefit. We recognize that in today's economy countries and regions that invest in education are at an advantage. While the economic downturn — less severe here than in the States, thanks in part to stringent banking regulations — has naturally constrained these investments, Canada continues to give priority to higher education funding. In Ontario, our most populous province, the government has actually increased higher education spending, planning for eventual revenue gains to help pay down its debt.

Meanwhile, funds from the federal government continue to flow to build new facilities and lure researchers from top universities abroad. (One of us, Gross, previously taught at Harvard, where Toope received his bachelor's degree. Harvard is the American university from which the largest number of scholars has been recruited with Canadian federal dollars in recent years, followed by Stanford.) We have a way to go before our leading institutions rival American public flagships like Berkeley, Michigan, or Wisconsin in total research output. But we're moving in the right direction.

In light of current financial realities, government commitment in Canada is all the more striking given that nearly all Canadian higher education institutions are public, and receive a larger share of their operating revenue from government

than do their American counterparts. Direct public support for top universities still amounts to roughly 65 per cent of total budgets.

But there is something else distinctive about the Canadian approach. Notions of fairness and equity are built deep into the Canadian psyche, and it is unconscionable to many Canadians, regardless of political stripe, that smart, deserving students who want to go to college should be prevented from doing so because they lack the money, or be forced to take on mountains of debt. While Canada doesn't subsidize tuition to the foolhardy extent that some European countries do, and while there have been some tuition increases, college and university here remains a bargain — by design. At our institution, the University of British Columbia, a student pursuing a bachelor's degree in our top flight economics department, say, will pay tuition and fees of about \$5,200 Canadian (about \$5,000 U.S.) for the 2010-11 school year. That's 30 percent less than at the average public university in the U.S. Tuition prices aren't the whole story, but they help explain why Canada "now leads the world in educational attainment," as *The New York Times* reported last week.

Ensuring that qualified students can afford to go to college isn't just the right thing to do. It also makes good economic and social sense. You never know where the next Mike Lazaridis, Canadian inventor of the BlackBerry, is going to come from. And besides, admitting students because they're talented, and not because their parents can afford the tuition payments, means that Canada can live up to its claim to be an opportunity society in which going to college remains a pathway to economic mobility. This helps keep young people invested in the nation's future.

American politicians and voters have some tough choices ahead of them. But while Canada and the United States may be unshakable allies, Americans should take notice that we'll be seizing every opportunity to advance on the higher education front. A hard-headed analysis could lead us to conclude that it's in Canada's national interest that American higher education should lose some of its luster, as will happen unless a bipartisan commitment is made to turn things around. But as admirers of the American tradition of higher education excellence, we can't help but wish for a different outcome.

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