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Chapter 2

A POST SECONDARY EDUCATION DIALOGUE FOR CANADA

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INTRODUCTION

In 2017, post secondary education deeply engages governments and important civil society forces. It is a complex policy sector that is a major area of public expenditure, a determinant of Canadian economic prosperity and increasingly, a policy sector with direct implications for many Canadians. University research receives considerable funding from the Government of Canada and is increasingly recognized as a contributor to Canadian economic competitiveness. Access to good higher education at reasonable cost is an ambition of many Canadian families and a subject tightly linked with the Trudeau's government's concern with "strengthening the middle class".

Post secondary education also engages the Trudeau Liberals' emphasis on "new federalism" which asserts the need for intergovernmental collaboration. The more co-operative Liberal rhetoric is a deliberate contrast to the Harper Conservatives' focus on a watertight federalism where governments were to proceed, wherever possible, each in its own sphere. Over the last decade higher education has also become more international in scope. In 2017, many undergraduate programs encourage students to take credit courses in other countries although as yet not many Canadian students have done so. Canadian universities often have joint degrees with universities abroad. International research partnerships demand careful policy coordination with other countries. Canadian governments have generally allowed universities and colleges to charge international students much higher fees than domestic students. International students are now a major revenue source for universities - a commodity that they compete to attract.

Our policy brief begins with an overview of the Canadian post secondary education system. It notes the active role of the federal and provincial governments, while also highlighting the often-neglected role and potential of the

main non-governmental actors. Using the 2016 and 2017 federal budgets, we then look at the Trudeau Liberal government's approach to post secondary education. In turn, three propositions are advanced. First, we reject reform proposals that urge a "federal dominant" system or a tightly co ordinated policy system through intergovernmental mechanisms as unlikely to succeed even assuming a strong will to change basic policy architecture. Second, we see a role for a structured national dialogue that reflects modified elements of current European practice. Finally, we argue that a stronger pan-Canadian forum should initially focus on international engagement.

THE PSE POLICY SYSTEM IN BRIEF

Canada's PSE system took form in the 1960s when Alex Corry famously remarked that universities had become "public utilities", that is objects of public policy that were important parts of the public sector (Corry 1970,x). In the 1960s, provincial governments built modern college and university systems as enrolment burgeoned. They controlled capital and operating funding, approved degrees and programs and established university governance processes. The provinces also developed policy and administrative capacity and established student loan systems. Provincial PSE systems did not follow a uniform blueprint. They varied in many ways including the relationships between colleges and universities, the generosity of loan and grant systems and tuition policies (cf. Harmsen and Tupper forthcoming).

In the 1960s and 1970s, the federal government also expanded its horizons and defined its PSE role more precisely. Ottawa established the Canada Student Loan Program in 1964. The funding of university research solidified as a focal point for Ottawa's involvement. The current research granting councils took form and the National Research Council worked closely with university researchers.

The post secondary education sector has become much more complex since the 1960s. More programs have been established, the research role of universities and colleges has expanded and costs have grown significantly. Questions about tuition policy, student debt and access for students from lower income families established a new agenda. Federal research funding grew more important as ideas about a knowledge economy took root (Office of the Parliamentary Budget Officer 2016).

In the 1990s, Ottawa provided tax incentives to encourage parents to save for their children's post secondary education. These tax measures are now a complex policy area (Parkin 2016). In the 1990s, the Chrétien Liberal governments implemented major new PSE programs. The Canada Foundation for Innovation was created to fund university infrastructure ideally in partnership with the provincial governments and/or the private sector. A Canada Research Chairs program was established to repatriate outstanding Canadian researchers and to help outstanding young researchers. The Canada Millennium Scholarships Foundation was founded.

Another major development was Ottawa's 2003 entry into funding the indirect costs of federal research funding. Originally established as the Indirect Costs Program, Ottawa provided \$369 million in 2017 under the Research Support Program (RSP). The RSP is administered by the three federal granting councils who transfer funds directly to universities on the basis of their share of federal research funding. For decades universities and provincial governments complained that Ottawa's insistence on funding only the direct costs of research obliged universities to pay for costly research overhead by transferring money from teaching.

Federal and provincial governments heavily shape Canadian post secondary education policy. Equally important is an active policy community that lobbies governments, coordinates the sector and tries to educate public opinion. PSE policy communities and civil society organizations are found in Ottawa and in the provincial capitals. They reflect the federal nature of Canadian PSE.

Noteworthy in the policy community are national organizations for university teachers, for universities and colleges and for students. Major national bodies include the Canadian Association of University Teachers (CAUT), Universities Canada, Colleges and Institutes Canada and the Canadian Federation of Students, the largest national student organization. Other bodies include the Canadian Association of Business Officers that represents senior university financial officers and the U 15 group that speaks for the large research universities.

Interest associations abound in the provinces. In Ontario, the Council of Ontario Universities represents universities while colleges have Colleges Ontario. CAUT's Ontario counterpart is the Confederation of Ontario Faculty

Associations. Ontario undergraduate students and graduate students have provincial associations that are confederations of individual universities' student organizations. In turn, pan-provincial associations are federated with the national students' organizations. British Columbia, whose PSE system differs from Ontario's, has two university associations, one for the research universities and the other for smaller teaching oriented institutions, and an active association for its colleges.

Many academic disciplines have national associations that disseminate information about public policy and discuss government initiatives. National and provincial meetings are fertile grounds for policy debates and information diffusion. Higher education research institutes and groups are also active although they are not as well developed as in other countries (Clark and Norrie 2014). Canada has a PSE consulting industry whose significance and impact have yet to be studied.

In summary, analysts of Canadian post secondary education policy have stressed federal and provincial government policy. Much less attention has been paid to the non-governmental policy community that flanks governments and interacts with them. Is it possible that the non-governmental sector acts, or could act, as a source of policy coordination and a consensus builder? As Wallner (2014) has shown, such wider policy communities have played a key role in fostering national policy convergence in the absence of formal coordination in K-12 education. After looking at current federal policy, we return to this theme later, making the case for a broadly based pan-Canadian dialogue.

THE TRUDEAU GOVERNMENT AND PSE

Canadian universities are likely happy to see the return of the federal Liberals to power. Whether fairly judged or not, the Harper governments were seen as at best indifferent to universities and research. They were criticized for denying federal scientists the necessary freedom to conduct and communicate their research. Conservative university research policies were decried as disinterested in fundamental research. These views are in stark contrast to the important and popular policies introduced by the Chrétien governments. The politics of post secondary education policy have changed.

The 2016 and 2017 Trudeau budgets stress PSE affordability especially for students from lower income families. The 2016 budget made major changes to

the Canada Student Loans program and to the tax incentives that encourage parents to save for their children's post secondary education. Ottawa's commitment to university research infrastructure was reinforced by the establishment of a three year \$2 billion Post Secondary Institutions Strategic Infrastructure Fund. The Liberals provided a total of \$95 million new funding for the three federal research granting councils, an amount that Universities Canada said was the largest increase in ten years. In its words: "Between 2006 and 2013, research funding in Canada fell from 3rd to 8th among OECD nations. Today's news is an important step toward returning to globally competitive research funding levels"(Universities Canada 2016,3).

The 2017 budget stressed the 2016 themes although no new money was provided to the granting councils (Higher Education Research Associates 2017). Further changes were made to the Canada Student Loans program that improved the programs available for adult learners, part time students and students with dependents. The budget also provided \$221 million over five years for student work placements. These funds, heavily weighted toward future years, are to be administered by Mitacs, a not for profit that specializes in work place placements for graduate students (Ibid,11).

The 2016 and 2017 budgets outline the Trudeau government's pse priorities for its term. PSE affordability is part of the government's emphasis on income equality. University research and infrastructure support are already established federal roles with which the Liberals are comfortable and closely identified. Increased emphasis on federal funding for university work experiences is another area of legitimate federal interest especially given Mitacs expertise in programs for university graduate students (Higher Education Research Associates 2017). Importantly, the Trudeau Liberals have shown no interest in playing a larger role in education. Theirs is a well-known agenda that reflects established federal PSE roles.

A remaining issue for the Liberals is the 2017 Naylor report, an inquiry into research funding whose report was released in 2017 (Advisory Panel for the Review of Federal Support for Fundamental Science 2017). Headed by Tom Naylor, a former president of the University of Toronto, the nine person panel called for an increase of \$1.3 billion over four years for federal research funding. It also urged \$485 million for basic research arguing that too much money was going to "priority-driven" research. The federal granting councils

were to be better co-ordinated and the overall federal research system was to be governed by a new body, the National Advisory Council on Research and Innovation.

Observers lamented that the government deliberately delayed the Naylor report's release until after the 2017 budget and that this delay suggests a lack of commitment to university research. A different perspective is that the core subjects of the Naylor report, federal research funding and administration, are topics that the Liberal government has been publicly committed to over a long period. Naylor's recommendations will be the benchmark against which the government's research funding performance will be evaluated. The Trudeau government is well aware of this reality – its future budgets will deal with the Naylor panel recommendations one way or the other.

THINKING ABOUT THE CANADIAN POST SECONDARY EDUCATION SYSTEM

Canada's PSE system is often portrayed as poorly coordinated. Ottawa is said to provide the vast majority of research funding while the provinces administer ten diverse systems. Canadian PSE is also thought to suffer as a result of the lack of central direction. Two general solutions have been advanced over time. Some observers have called for a more extensive role for the Government of Canada. Others have called for tighter intergovernmental co-ordination. Our view is that neither option is currently feasible or perhaps desirable. We argue that Canada should try a different approach through a focused national dialogue that engages a broad set of actors.

A 2014 report by Paul Cappon on a national education strategy for Canada reflects established thinking. Commissioned by the Canadian Council of Chief Executives, Cappon reviewed the policy status quo for education at all levels from elementary schools to universities and colleges. He concluded that inadequate Canadian policy co-ordination and/or superior policy co-ordination in other countries explain, as he sees it, Canada's poor educational outcomes. He advanced three reforms (Cappon 2014). First, Cappon called for vigorous leadership from Ottawa if a necessary national education strategy was to become a reality. "The federal government is the only actor capable of leading to the creation of this pan Canadian strategy" (Ibid.6). Second, he recommended new intergovernmental coordinating machinery, specifically a feder-

al-provincial-territorial Council of Ministers to determine national targets and outcomes. Third, he urged the greater involvement of business but not other civil society actors.

Cappon's arguments are flawed. First, no government, certainly not the Trudeau Liberals, appears committed to an explicit national education strategy. Second, is Canada's educational system as mediocre and as poorly coordinated as Cappon suggests? A contrary perspective could certainly be advanced for PSE at least. Third, federal leadership is limited by Ottawa's singular lack of policy and administrative capacity in most aspects of education policy. As the Trudeau Liberals show, Ottawa has focused on post secondary education and even within PSE in only a few areas, notably research, research infrastructure and student loans.

FROM FEDERALISM TO MULTI-LEVEL GOVERNANCE

Moving forward, the question becomes one of how PSE policy might be better developed in a pan-Canadian context. What is desirable? What is possible? The scope and limits of the problem to be addressed need to be specified. We reject the alarmist views of observers such as Cappon, who see an impending crisis in Canadian (higher) education. On the whole, Canadian PSE institutions perform well, both sustaining comparatively high rates of participation and (insofar as this is a gauge of institutional quality) attaining a satisfactory spectrum of results in international rankings. At the same time, the sector continues to be hampered by a pattern of "uncoordinated entanglements" (Tupper 2009). As the federal government has increasingly assumed the driver's seat in research policy while the provinces retain jurisdiction over the wider operation of PSE systems, the framing of "joined up" or "holistic" policies in the sector has become increasingly difficult. In consequence, individual PSE institutions are often asked to carry the burden of reconciling mis- or un-aligned policy choices.

The central governance issue is thus that of creating a more structured policy space. While respecting existing jurisdictional divisions, clear evidence points towards the desirability of some form of pan-Canadian policy arena that would allow the principal PSE actors to interact more productively with one another. Such an arena would take as its starting point the indelible character of Canadian pse as a "system of systems" in which the provinces exercise a broad

jurisdiction over the basic structuring of those systems. It would, however, move beyond a rigid, binary conception of federalism towards a richer understanding of multi-level governance that stresses meaningful policy dialogues across jurisdictional boundaries and the broadening of participation to incorporate more stakeholders.

THE “BOLOGNA MODEL”

In the development of such a pan-Canadian arena, lessons can be drawn from the extensive European experience of “soft law” governance instruments over the past two decades. This concerns both the general development by the European Union of the “Open Method of Co ordination” (OMC) and, more specifically in the higher education sector, the pan-European (48-member) Bologna Process. In both cases, scholars have already probed the limits and possibilities of these models in Canadian contexts. As regards the OMC, contributors to a special 2013 issue of *Canadian Public Administration* (Verdun and Wood 2013) highlighted the limited applicability of OMC models to Canadian practice because of a pattern of executive federalism which concentrates power in the core executive at each level of government, thereby placing particularly tight constraints on wider stakeholder participation. We argue, however, that overcoming this limitation requires only a modest act of political will, and that the OMC toolkit could correspondingly provide useful instruments for opening up wider, more participatory policy spaces and policy dialogues on a pan-Canadian basis. Commentators have similarly stressed the limited applicability of the Bologna Process in the Canadian context (Haskel 2013; Usher and Green 2009). Rightly, they underline that the core problem addressed by the Bologna Process – that of building of trust and facilitating the readability of qualifications across a bewildering diversity of national systems – has little or no relevance in those terms in the Canadian case. Yet, the same commentators have also noted that as a governance process Bologna offers interesting insights for the establishment of a pan-Canadian policy dialogue.

Bologna is a working PSE example of “experimentalist governance” (Harmsen 2015). Centrally, the objective of such “soft” governance is to create a policy arena that facilitates policy learning across jurisdictions within the framework of a complex system of multi-level governance, while itself having no direct regulatory or (re-)distributive function. Such an arena is thus dedicated to dia-

logue, allowing for co ordination and learning across levels by engaging both governments and wider stakeholder communities. In the case of European higher education, the combined development of the Bologna Process together with EU involvement has correspondingly seen the emergence of a structured “European policy space” in the sector where none existed before.

In practice, what does this mean in the Canadian context? If one could conceive of the similar emergence of a “pan-Canadian policy space”, what would it look like and what might it do? The increasingly important issue of PSE internationalization illuminates the possibilities.

A PAN-CANADIAN PSE INTERNATIONALIZATION FORUM

Internationalization is now a central PSE policy concern worldwide as the attractiveness and competitiveness of national higher education systems become more important for national economic competitiveness. Relative to these challenges, Canada certainly does not lack PSE internationalization strategies. It has at least two, if not several (cf. Viczko and Tascón 2016). At an interprovincial level, the Council of Ministers of Education of Canada (CMEC) produced an international marketing action plan for the Council of the Federation in 2011 (Council of the Federation 2011). Not to be outdone, Ottawa responded in 2014 with its own international education strategy (Canada 2014). Other groups, such as the Canadian Bureau for International Education (CBIE 2013), have also produced strategic documents.

These international strategy documents converge on several important points. All, for example, are concerned with maintaining a consistent national “brand” in the marketing of Canadian higher education abroad. All see attracting talented international students as essential for national prosperity. All focus on the outward mobility of Canadian students. Yet, despite substantive convergence, such reports have not had a major impact. Apart from the usual obstacles encountered by such reports, there is – quite literally – nowhere for their recommendations to go. There is no policy arena corresponding to the policy area at a pan-Canadian level in which the recommendations might be followed up on a co ordinated basis and in which meaningful dialogues could take place. Moreover, diverse provincial strategies are being developed in parallel and with relatively little apparent cross-jurisdictional interchange.

To address this situation, we propose the creation of a pan-Canadian forum on PSE internationalization that takes its inspiration from the Bologna model. The forum would thus be an instrument of “soft governance” – i.e. it would have no decisional authority, but rather would be dedicated to furthering policy dialogue and learning. Governments might choose to issue declarations or to establish forms of peer review or benchmarking exercises, but this is something to be determined within the forum itself. An intergovernmental (federal/provincial) dimension would form the core, but it would be opened out to structured stakeholder participation. Bodies such as Universities Canada, Colleges and Institutes Canada, and the Canadian Association of University Teachers, as well as business and labour organizations would be (associate) members of the forum with the right to speak and make proposals. Ideally, provincial delegations would extend beyond ministry officials to include representatives of PSE institutions, students and faculty. Following the Bologna model, the forum could further be structured in terms of a plenary conference meeting every two to three years, fed by the work of follow-up or working groups that would bring together governmental and stakeholder representatives to work on specific thematic areas on an ongoing basis.

The overall structure as briefly outlined above should allow for the emergence of a more structured dialogue about PSE internationalization, both providing a venue in which intergovernmental coordination issues might be resolved and allowing for the enrichment of debate through stakeholder participation (not least moving beyond a marketing focus to encompass a concern with curricular and research-related themes). As such, the forum may, if successful, extend its coverage to the wider PSE sector over time – being careful to do so in ways that maintain its light touch structures.

CONCLUSION

Our policy brief argues that Canadian PSE policy making should move beyond a primarily intergovernmental focus and begin to think in terms of a pan-Canadian dialogue involving the wider sector. Canadian PSE has generated well-developed networks of actors, including both peak associations and PSE institutions themselves which do not find a corresponding national policy arena. Our policy brief proposes that such an arena be shaped along the lines

of Europe's successful "Bologna model", creating a distinctive forum for policy dialogue and learning that leaves existing jurisdictional divisions undisturbed.

The emergence of such an arena requires political will. Ottawa must assume a posture of modest ambition, facilitating dialogue without seeking a dominant steering role. The provinces too must be willing to break with traditional practices of executive federalism so as to open up space for dialogue. We do not doubt that even these modest steps may prove difficult. Yet, if governments are to champion the idea of disruptive innovation, it would not seem unreasonable to demand that they are open to it themselves.

As we write in 2017, the Trudeau Liberal government is well positioned to seize the initiative in fostering the development of such an innovative pan-Canadian policy arena. International post secondary education is an area that it has already engaged and universities themselves are certainly interested. Moreover, in the short to medium term, the Trudeau Liberals are unlikely to have budget surpluses that will allow significant increases in research funding. A federal initiative working collaboratively with the provinces and stakeholders to establish a serious dialogue on pse internationalization would, **at low cost**, allow the Trudeau Liberals to advance an inclusive national agenda in an area of long term significance for Canada's pse sector.

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