

Funding Quebec universities: “The status quo is not an option”

In an address to the conference organized by McGill University on the first anniversary of the manifesto *Pour un Québec lucide*, Concordia University President Claude Lajeunesse called for more funding for higher education, and an end to Quebec’s 12-year freeze on tuition fees. If tuition fees in Quebec had been allowed to keep pace with increases in the rest of Canada, he notes, Quebec universities would today receive \$375 million a year in additional funding.

Dans cette allocution prononcée à la conférence organisée par l’Université McGill à l’occasion du premier anniversaire du manifeste « Pour un Québec lucide », le président de l’Université Concordia, Claude Lajeunesse, préconise de mieux financer l’enseignement supérieur et de mettre fin au gel de 12 ans sur les droits de scolarité au Québec. S’ils avaient augmenté au même rythme que dans le reste du Canada, dit-il, les universités québécoises se partageraient aujourd’hui 375 millions de dollars supplémentaires par année.

I intend to address today’s topic — “education and talent” — with a call to action. Alain Dubuc calls Quebec North America’s most egalitarian society, and we do indeed enjoy a great quality of life. But I am concerned that this is masking the erosion of our very well respected system of higher education through chronic underfunding. I believe if we are to attract and retain the talent we need within our borders to maintain and increase this quality of life, it is urgent to address the problem. The status quo is not an option: in my view, it will lead to an inexorable decline unless we act now to change our course.

But let me say at the outset how happy I am to be back in Montreal, and in Quebec, at such a crucial time for our future. As president of Ryerson in Toronto, president of the Association of Universities and Colleges of Canada in Ottawa, speaking for all of Canada’s colleges and universities, and at the Natural Sciences and Engineering Research Council, where I oversaw research funding, I saw the university system from many angles. This informs my overall perspective on our problems and potential solutions.

Who really is responsible for post-secondary education? The system is actually a carefully balanced set of partnerships; each party expects certain benefits in exchange for fulfilling its obligations and responsibilities:

- The *general public* understands the importance of universities in achieving society’s economic and social goals. For example, a recent Statistics Canada study found that 80 percent of Canadians believe education is critically important for success. A majority of Canadians also believes that universities are currently underfunded.
- *Governments* — primarily provincial and federal — devote considerable resources to higher education. However, other priorities — such as health care — compete constantly for budget dollars, and universities must struggle to increase their share of the pie. Governments subsidize university budgets directly and they fund research, but generally they have no comprehensive policy on university finances. This leads to gaps — and sometimes contradictory

objectives — in institutional funding.

- The *private sector*, through individual philanthropists and corporations, is a generous and important supporter of universities. We devote significant resources to creating and maintaining these relationships. These essential and very welcome gifts take many forms, from personal legacies to research grants. However, these funds are often targeted, so that the university is not always able to allocate them to its own evolving priorities.
- *Students*, whose future prospects are tightly linked to a university education, also have a large stake in the system. In Quebec, a 12-year tuition freeze means that their share of the financing has not kept pace with the needs of our universities, and the reality of our government finances, let alone with inflation!

Two years ago, Pierre Fortin from Université du Québec à Montréal and Marc Van Audenrode from Université Laval said it succinctly in the title of a brief they filed to the

Quebec Ministry of Finance during pre-budget consultations:

What do you do when you are less rich, you spend more, you're more taxed, more indebted and you are aging faster than everybody else?

In this stressful situation, all the post-secondary education funding partners must find a delicate balance to coexist. Meanwhile, universities must make decisions about their strategic priorities and resource allocations.

It is not difficult to see how this creates tensions which are heightened by a number of factors:

- Although some provinces are poorer, Quebec is not as wealthy as other jurisdictions in Canada.
- Although Quebec's financial means are limited and university funding has declined in the last 10 years, we must acknowledge that it invests more per capita in education — 7.5 percent of GDP, according to the Ministry of Education — than all Canadian jurisdictions except the Maritimes.
- Montreal carries both the advantage and the burden of being North America's second-most knowledge-intensive city after Boston, as measured by the number of university students per capita. Universities have to fund an education for each of these students, who pay one-third to one-tenth of the tuition they would pay in Ontario, for example.

This adds up to a serious funding crisis for Quebec universities. But all Canadian universities struggle — despite public opinion — to anchor the idea that strategic investment in higher education is not a frill, not a luxury and not a nice-to-have: it is an essential driver of economic, societal and cultural survival and prosperity for our country as a whole. And without laying blame, it must be said that the problem is exacerbated by the fact that provincial and federal authorities do not always work together as true partners. In particular, they have problems clearly defining their complementary roles in higher



Concordia University

Concordia University President Claude Lajeunesse says the 12-year tuition freeze on Quebec universities has left them with a shortfall of \$375 million a year. Speaking at the *Québec lucide* conference at McGill, he made a case that this was no longer sustainable in terms of the quality of higher education in Quebec.

education, and resolving what has come to be known as the fiscal imbalance.

While we value a world-class, competitive, research-intensive higher education system, we do not raise enough money from any of the partners in the system: governments, the private sector and students.

And in all fairness, taxpayers cannot indefinitely increase their share of university financing. Students must recognize the lifelong economic benefits that will accrue from their university education. The 12-year tuition freeze alone has expanded the gap between Quebec uni-

versities and those in the rest of Canada by \$3 billion over that period. If tuition here had kept pace with tuition increases in the rest of Canada — not in absolute dollars, but in the rate of increase — our system would enjoy \$375 million a year more. Needless to say, that would make a huge difference in the level of services we could provide to our students.

Let us all remember that in the end, students themselves are the first to bear the brunt of the funding crisis. They face bigger classes, older facilities, fewer opportunities and less control of their intellectual development and their own futures.

As a consequence, we continue to lose some of our best and brightest people. Others never come here because of this resource shortage, and it becomes more difficult to attract and retain the new faculty and students we need.

A year ago, the manifesto *Pour un Québec lucide*, signed by a range of leaders of very different backgrounds — some sovereigntist and some federalist — laid out some difficult issues provocatively, thoughtfully and courageously. They tackled some sacred cows, including the subject of university tuition. Like many others, they concluded that university tuition has to rise, and that this can be done with compassion, preserving access to higher education for families who cannot pay the higher costs. For example, we could examine, in collaboration with students, their representatives and their families, such mechanisms as grants and loan forgiveness to address this difficult issue.

I was surprised by the initial reaction to the manifesto. From the start I would have expected a tough, rigorous discussion of the issues on their merits. But while it has taken time, today shows that we are finally seeing the start of this debate. These issues are too important to the future social and economic fabric of Quebec to be swept under the rug without proper public discussion and debate.

Chronic underfunding of Quebec universities is potentially disastrous for us as we face a serious demographic challenge, with our aging population and a diminishing workforce to support it. That is one reason why Concordia is working to find realistic ways to convince our graduates to stay and be an active part of the economic, social and cultural life of Montreal, Quebec and Canada.

It cannot be said often enough: everyone in society has a stake in the success of our universities. They provide essential preparation for work life, civic life, cultural life and even civilized discourse within families

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How will we be ready to participate and to prosper without top-notch universities to sustain us, to educate our children and explore every avenue of discovery to keep us ahead of the curve? How will we face the demographic decline of our society at the exact time that China and India are rising with billions of ready and increasingly educated workers?

How are other Canadian jurisdictions rising to the challenge?

- Ontario responded to the 2004 Rae Report by increasing funding to post-secondary education by \$6.2 billion over five years and by ending the two-year tuition freeze that the McGuinty government had initially established. This will allow Ontario institutions to hire more professors, improve the campus experience and make higher learning more affordable for thousands more students, including Aboriginals, students with special needs and those who are the first in their family to go on to higher learning.
- Alberta is tapping its enormous oil royalties to invest heavily in higher learning and research — and some of the top researchers it is attracting are leaving Quebec universities for Edmonton and Calgary.

We, in today's Quebec, cannot be complacent about this reality. We

must measure up well beyond not only Ontario and Alberta but the whole world.

Our global competitors are not waiting for us. They are anxious to achieve their own prosperity, and they

are hungry to meet the challenges they face. They are happy to manufacture better products more cheaply, and to offer quality services at a lower price. They are not encumbered with structures and policies like ours, created over long periods of time without mechanisms to reform them when the need arises. They are pushing us to think more creatively about how to preserve and enhance the valuable society we have inherited, and how to increase its viability for the future.

We need to be aware of the steepness of the curve that we face, and to stop being in denial about how tough this is going to be. From my perspective, all the partners in our system have to sit down together and honestly re-examine what it is possible for us to do to ensure that our universities meet our expectations — and the challenges of the future we want to have. We cannot afford to leave our future adrift.

My experience in Quebec and elsewhere in Canada leads me to conclude that there is no magic formula or quick fix solution to our problems. Only a collective commitment by all those concerned can provide the climate for change and for action.

Claude Lajeunesse is president of Concordia University in Montreal. Excerpted from a speech at McGill University on the occasion of the first anniversary of the manifesto Pour un Québec lucide.