

A multitude of community colleges with high completion rates raises Canada's standing

# Excellence Without a Federal Ministry

BY RICHARD VAN LOON

**H**IGHER EDUCATION, GENERALLY DESCRIBED IN CANADA as post-secondary education, was not specifically mentioned in the original Canadian Constitution when it was adopted in 1867. Instead, the British North America Act assigns education exclusively to provincial governments, subject to a number of qualifications regarding religious schools.

The fathers of the constitution were attempting to create a centralized federal structure, while still protecting the cultural and religious integrity of Quebec. What Canada got, through a combination of judicial interpretation, provincial government insistence, and cultural diversity, was one of the most decentralized federations in the world.

The combination of a decentralized federation and the attribution of educational jurisdiction to provincial governments might have created a minimal federal role as each province developed a unique system of post-secondary education. But the fiscal power of the federal government, together with a conviction that higher education was vital to the future of the Canadian economy, has resulted in the federal government exercising considerable influence over higher education and paying nearly 40 per cent of the costs.

The substantial entanglement of federal and provincial roles, however, is not accompanied by coordinating mechanisms where the two orders of government actually discuss policy. The fact that Canada has one of the highest higher-education participation rates in the world and that several universities can be viewed as world-class institutions is a tribute to the ability of

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Canadian Governor General Michaëlle Jean rings a "Liberty Bell" at York University in Toronto to commemorate the opening of a research institute on the global migrations of African peoples in March 2007. The original bell was mounted in South Buxton, Ontario, in the 1850s and was rung whenever an American slave reached freedom in Canada.

institutions and diffuse governance structures to create a decentralized coordination.

## More Than 1.5 Million Students Each Year

Post-secondary education is big business in Canada. In 2005, more than 1.5 million of Canada's 32.5 million people – four per cent of the population – were enrolled in higher education, with 80 per cent of them enrolled full time. More than 40 per cent of these full-time students are enrolled in community colleges, primarily in two- or three-year technical programs. Canada has the second highest attainment rate for higher education of any Organization for Economic Co-operation and Development (OECD) country, although its university attainment rate of 22 per cent is only slightly higher than the OECD average. It is in the area of sub-baccalaureate attainment that Canada ranks at the top of the OECD nations.

Approximately three-fifths of public expenditures on higher education are funded by the 10 provincial governments, the remainder by the federal government. Tuition fees account for a steadily increasing level of institutional revenues, now about 40 per cent for universities. Tuition fees vary widely by province.

They range from C\$1,668 in Quebec for in-province students to C\$6,030 in Nova Scotia. The median is C\$4,416. Total public and private expenditures per student in Canada were US\$20,000 in 2004, placing Canada third only to Switzerland and the U.S., where spending per student was closer to US\$25,000. The OECD average was US\$11,300.

In Canada, public universities are highly autonomous. Individual boards of governors and senates control the respective management and the academic programs of all universities, and provincial governments interfere very little in their decisions.

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### SPECIAL SECTION

## Post-Secondary Education



respect to federalism. At the time, a dozen state agencies guaranteed private lenders against the risk of default for loans made to student borrowers who had little or no collateral to secure their loans. The federally-guaranteed loan program worked with existing state agencies to ensure that students in states without guarantee agencies would be able to borrow. Today, the student loan industry in the U.S. makes more than US\$100 billion annually in loans. The average amount borrowed by an undergraduate student is about US\$20,000 and graduate student borrowing is much higher.

Research has been another major source of revenue for universities. The federal government traditionally has been the primary source of financial support for research conducted on campus, including at federal laboratories. Total annual federal spending in support of campus-based research is now about \$30 billion. The bulk of this federal funding of academic research is based on peer review of proposals.


Rather than ensuring the overall quality of education, the federal government's primary responsibility has been to ensure that the thousands of institutions attended by millions of federal student aid recipients meet minimal standards and to confirm that federal taxpayer dollars are appropriately spent.

### Not Helping Low-Income Students

To improve the efficiency of higher-education systems, the U.S. Secretary of Education's Commission on the Future of American Higher Education issued a report in September 2006 amid a firestorm of controversy. A key theme of the Commission's report was that the student financial-aid system in the U.S. is not functioning well because it is too complex, non-transparent and not targeted on the needs of the lowest income students.

The report found that although U.S. participation rates have traditionally been among the highest in the world, the proportion of students who complete the program they began shows the U.S. has had a mediocre record, with only half of the students completing a four-year degree, and a much lower rate in community colleges.

The Commission's focus on low degree-completion rates has led to a growing debate on a related subject, namely, the U.S. ranking in attainment rates – the proportion of the adult population with a post-secondary degree of some sort. The U.S. continues to have the highest rates of attainment for bachelor's degrees, with 30 per cent of the adult population holding such a degree – the OECD average is 19 per cent – although a number of countries are catching up. But in the attainment for associate's degrees from community colleges, the U.S. has been in the middle of the pack with roughly 10 per cent of the adult population holding associate's degrees (OECD average is nine per cent). When the rates for both types of degrees are combined and the trends over time are examined – by looking at differences among different age groups – the U.S. position lags behind that of many countries.

It is now clear that the faulty system of student financial aid, the lack of student success, and the need to examine what students learn and to improve quality will be central to the debate on higher education in the U.S. for the foreseeable future. These topics, of course, have been the subject of extensive debates before, but with little to show for it. Maybe this time, with the intense focus on global competition, the result will be different. 

## CANADA [FROM PAGE 24]

Thus several provinces have instituted quality assurance bodies. All are concerned that student mobility is unduly hindered by the lack of intra-provincial systems for transferring credits for courses. Canada has been relatively slow in developing quality assurance and course credit transfer mechanisms.

### Ottawa and Provinces Argue, Then Agree

In the field of higher education, much of the highly decentralized formal nature of the Canadian arrangements must be attributed to the insistence by Quebec that education is exclusively the concern of the provincial government. But \$9 billion per year in various forms of federal support for purely provincial institutions is not to be disregarded, so provincial governments have developed reasonable levels of coordination, all the while incorrectly insisting that the federal role is, at most, a minor one.

Canada views research as one of the major keys to economic advancement, and believes that support of university-based research is a legitimate area of federal activity. And since research is strongly concentrated in universities (as much or more than in any other advanced country), this has meant a major role for the federal government. As a result, over 80 per cent of public support for university research in Canada comes from the federal government.

Two other major areas of federal support for higher education are student assistance and intergovernmental transfers. Federal student loan programs supplement provincial student support schemes in all provinces to the tune of approximately \$2 billion per year. In addition, the federal government provides tax relief for interest payments on all student loans and savings incentive programs for higher education. Federal and provincial officials have worked out protocols and procedures to work together. Intergovernmental transfers for higher education are paid separately from other social transfers and unconditionally. However, in the federal budget of March 19, 2007, a 40 per cent increase was promised for the next fiscal year, dependent upon the federal government being satisfied that all the money is going to higher education.

### Working Without a Federal Minister

In Canada there are no formal consultative and planning mechanisms to attempt coordination and there is not a federal minister of education charged with working with the other levels of government. Yet, while the systems(s) are far from perfect, they appear to work effectively, providing a high standard of education to a large proportion of the Canadian population and sustaining successful research programs. The paradox is all the greater since, at a formal level, the Canadian Council of Ministers of Education, nominally the highest-level coordinating mechanism available, consists only of provincial ministers and it excludes attendance by any federal minister.

In fact, the outcome has been one of effective informal coordination. To some degree, this coordination is done by the higher-education institutions themselves. Also to some degree, it reflects the ability of Canadian bureaucrats to plan together, sometimes despite their political masters. It is also reflective of the insistence of the Canadian polity that the Canadian federal system must, in the end, deliver results. 