

**The comfortable straightjacket of policy uniformity:  
Will the economic crisis spur reform in Ontario postsecondary education?**

Notes for Remarks for the Joint Universities<sup>1</sup> Panel on  
How the Economic Crisis will Affect Global Politics  
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I have been asked to speak about the effects of the global economic crisis on domestic politics. I would like to address the question of whether the crisis will change our political dynamics enough to overcome the comfortable straightjacket of policy uniformity that permeates Canadian public management. I will use the example of postsecondary education in Ontario, the subject of a book that three colleagues and I hope to have published this fall.<sup>3</sup>

**The provosts' night out**

Let us imagine we could overhear the conversation at a dinner meeting of the provosts of Toronto's three major universities on April 2, 2008.

The three academic leaders all had graduate degrees from Ivy League universities and for the last three years had met annually to share horror stories and big thoughts. After agreeing that their discussions should be kept in strictest confidence they started to use actual cases to illustrate their points.

At their 2008 supper they focused on three topics: how to attract and retain internationally recognized researchers; how to respond to the government's request to increase university access for two traditionally underrepresented groups, Aboriginals and New Canadians; and how to plan for the alarming projection of university places needed in the Greater Toronto Area. Although the government had not published any projections, the modeling done by the three universities suggested that demand for GTA places could increase by 40,000 to 65,000 by 2021 – the equivalent of a whole new University of Toronto.<sup>4</sup>

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<sup>1</sup> Sponsoring universities: Harvard, Yale, Princeton, Brown, London School of Economics, Oxford, Cambridge, Trinity College Dublin, MIT, NW Kellogg, Cornell, Tufts, Columbia, INSEAD, Wharton, Dartmouth, and Syracuse.

<sup>2</sup> The numbers in this paper were revised on May 23, 2009 using a revised class-size model (see footnote 6).

<sup>3</sup> *The Transformation of Ontario's Postsecondary Education System*, by Ian Clark, Greg Moran, Michael Skolnik, and David Trick, McGill-Queen's University Press, to be published, 2009

<sup>4</sup> Ryerson University has estimated that the number of students wanting to attend university in the Greater Toronto Area (GTA) may be 34 to 49 percent higher in 2021 than it is today" (Ryerson University, *Consultation Paper: Leading toward Ryerson University's Academic Plan: 2008-2013*, 2008) – equivalent to an increase of 36,000 to 65,000 students. A University of Toronto report says that, "The Government of Ontario expects growth in demand for undergraduate university places to be especially intense in the Toronto region. Conservative projections call for 40,000 new places in Toronto" (*Towards 2030 Synthesis Report*, 2008, 7.)

As always, the provosts talked about how they could possibly pay for all this in an environment of 1) regulated tuition, 2) per-student government operating funding unlikely to keep up with university inflation, and 3) the 40-40-20 model where the average faculty member is expected to spend about 40% of her time teaching, 40% doing research, and 20% on university and community service.

### **Vass and James**

It had been a useful dinner discussion, and, as dessert was arriving, one of the provosts said, “You’ll be pleased to know that Vass and James have agreed to stay.”

This was a case they had discussed at the previous year’s dinner. Vasiliki (know as Vass) had had a tenure-track position at Harvard and published her second major book in social psychology. She had obtained her undergraduate degree at the U of T where her father was a political science professor and had been able to advise her on how to select courses taught in conditions comparable to his own undergrad experience at the university in the 1950s, which helped him earn a scholarship to Oxford. Vass thrived in her college and won a Fulbright to MIT, where she did her PhD under one of the greats in the field. She met James, a grad student from Edinburgh who obtained degrees from Cambridge and LSE before his path breaking doctoral thesis in behavioural economics. James won an assistant professor competition at Brown, and the couple bought an 18<sup>th</sup> century fixer upper in Dover – roughly half way between Providence and Cambridge.

They were both advancing rapidly in their disciplines but the commuting was becoming a chore and when the new Dean of Arts and Science, who had known Vass at U of T, called to describe the advantages of coming as a couple to Toronto, they were intrigued. After six months of courting, they came. Because they were both enthusiastic teachers as well as researchers, one of the features that attracted them was the ability to work with undergrads in a limited enrolment, small-class program that had recently been created in one of the university’s constituent colleges. Vass and James were both given associate professor positions at \$150,000 (plus benefits which add another roughly \$45,000)<sup>5</sup> and were both given the normal teaching load of two courses each term, although they did worry about the time this would leave for their research.

At their dinner the previous year the three provosts had analyzed the classroom economics required to support two such professors. The total government operating grant plus tuition revenue for Ontario universities has been remarkably stable at approximately \$13,000 per year (2007 dollars) since the mid 1970s and about half of university costs go to faculty.<sup>6</sup>

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<sup>5</sup> Although this at the high end for associate professors of psychology and economics in Ontario, universities often pay a premium to attract internationally renowned scholars. Academic salaries in Canada are among the highest in the world. According to the recent Boston College study, entry level salaries were 13% higher than those in the U.S. at entry level and 8% higher at the top level in purchasing power parity terms for the 2005-06 academic year. (Laura Rumbley, Ivan Pacheco, Philip Altbach, *International Comparisons of Academic Salaries: An Exploratory Study*, Boston College, Center for International Higher Education, October 2008). The Ministry of Finance publication, *Disclosure for 2008 under the Public Sector Salary Disclosure Act, 1996*, lists 2,225 employees of the University of Toronto earning more than \$100,000 in the 2008 tax year.

<sup>6</sup> The class size for the large-format classes is calculated from the formula  $N = ((c-b)(1+e)S/t)/(R-rR-b(1+e)S/nt)$  where S is the annual faculty salary, e is the benefits percentage, t is the teaching load (number of half-courses per term), R is income per student, r is the fraction devoted to other than faculty, n is the size of the small format classes.

They calculated that the \$6,500 per student would buy five courses each term with a class of 75. If one of these classes each term were to be a seminar course of 20 students, the other four classes would have to have 240 students.

With 20 students in a seminar, the university could come close to the kind of student-faculty interaction associated with Ivy League schools. This was as sensitive topic because two of the provosts had children in high school with stellar marks. Ben had already been approached by recruiters from Dartmouth and Kelsey had shown her parents a New York Times article reporting that the \$33,000 Princeton tuition covered less than half the cost of what they were providing students (the rest being covered by endowment income, which in 2007 amounted to \$90,000 per student).<sup>7</sup> She asked what sort of faculty-student interaction the 5,000 undergrads at Princeton are able to have in a place that spends 7-10 times more per student than universities in Ontario.

The provosts agreed that if Ontario universities were to have a chance of attracting students who have the option of going to selective universities in the United States and Europe then it would be crucial to continue to attract professors like Vass and James, and to create more programs that could provide small class experiences to very high performing students.

Last year the provosts had speculated about what would happen when Vass's third book came out to rave reviews and James made a big splash with his forthcoming paper in the *American Economic Review*. Sure enough, within months, Vass's former thesis advisor, now Dean of the College of Arts and Science at Cornell, phoned and offered to find faculty positions for both her and James with dramatically lower teaching loads to enable them to devote almost full time to their research.

Luckily, Vass and James liked Toronto and, after careful consideration, they accepted their university's counter offer – a three-year reduction in teaching to only one course per term. But now the class size required to pay for these two research stars had doubled to 150. And to provide just one seminar course of 20 among the year's ten courses, the other nine would have to have 540 students.

The three provosts agreed that offering a reduced teaching load was the right thing to do in this circumstance but they also recognized that, given the way Ontario universities are structured and financed, what is good for Vass and James – and good for the high performing students in their seminar courses – is really bad for Theresa and Abdulahi.

### **Theresa and Abdulahi**

Theresa and Abdulahi were two potential students that the provosts had used earlier in the evening to talk through the challenges of providing access to traditionally under-represented groups. Theresa Simard was very bright and had almost finished high school on the Anishinaabe First Nation outside Kenora before coming to stay with her aunt in Toronto. Theresa works at the Aboriginal Youth Centre and is trying to figure out how to do a degree in social work. Abdulahi Yassin-Omar is completing high school at Marc Garneau Collegiate Institute near the Thorncliffe Park complex where his family has lived since moving from Somalia in 1998. Abdulahi has good marks and would be the first in his family to attend university

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<sup>7</sup> Karen Arenson, *Big Spender*, New York Times, April 20, 2008.

but he still has trouble understanding complex English expressions and he knows he has to work on his writing skills.

Both Theresa and Abdulahi are examples of students who need extra help to reach their potential at university. They would be intimidated by a lecture hall of 500 students and their families have no tradition of going into debt to pay for higher education.

### **The provosts get radical**

As coffee was served one of the provosts said, “We all have colleagues who love teaching but are increasingly stressed by the publish-or-perish requirements we impose on them. And we all know that much of their research is more about trying to meet our tenure requirements than advancing human knowledge. How much take-up do we think there would be at Ontario universities to an offer to do less research and more teaching if faculty could retain their pay and be assessed and celebrated on teaching accomplishments instead of their publication record?”

They quickly calculated the effect on class size for each professor who would agree to shift from a 40-40-20 model to an 80-20 model. It was huge. Rather than the 150-student class associated with Vass and James’s half teaching load, the class size needed to support a teaching-only professor drops to 38. The same \$6,500 per student could pay for classes of 38 for all courses taught by such faculty, or the university could offer half the classes in a 20-student seminar format and the others in a large lecture format with 300 per class.

As the server delivered the bill, the provosts became more radical. What if they could attract good teachers at the price that PhD graduates are willing to work for? Think of the growing pool of new PhDs that Ontario universities will be producing as a result of the recent graduate expansion. Could they hire some of them into teaching-only positions? Each provost knew several capable PhD grads who would jump at offers of such positions at a time when Ontario universities had to restrict hiring because university costs continued to rise faster than government grants or tuition. What if teaching faculty could be hired for \$75,000 annual salary plus 30% benefits?

The effect of such a regime on pedagogical options made the provosts almost giddy. Teaching costs would be halved again. With the \$6,500 per student, the universities could offer all their courses in a 19-students-per-class format, or they could provide a fifth of the classes in a 10-students-per-class format and the rest with class sizes of 24. Or with slightly larger classes they could set aside enough money to provide the Abdulahis with substantial tuition bursaries and they could create bridging programs in small classes for the Therasas to get them their missing high school requirements and ensure they will be fully prepared to succeed at university. And there would be almost enough teaching resources to provide the Bens and the Kelseys with small-class experiences comparable to what the Ivy League colleges advertise.

“I have always been a dove on the tuition issue,” declared one of the provosts, “but if changes like these could free up enough money to provide bursaries and extra support for the Therasas and Abdulahis, then I would support higher tuition for the Bens and Kelseys so they could benefit from highly selective programs within our universities.”

“If we want to be really revolutionary, why not create affiliate institutions which would only do undergraduate teaching and where faculty are hired for their teaching competence and not paid to do

research? And while we are at it, let's think about creating a highly focused version of the three-year bachelor's degree, which once had a respected place in Ontario? Think of how much that would save both students and taxpayers."

### **It would take a crisis**

As they were putting on their coats, one of them whispered: "Could the changes we discussed this evening really improve things for almost everyone? Could we really retain our research stars, increase services for traditionally underrepresented groups, provide a better learning experience for almost all students, and offer Ivy-League-level faculty engagement for our most able undergraduates?"

When they opened the door to the street they were met with a wintry gust. "Ah, Ontario reality!" said one. "This has been fun," another agreed, "but don't forget our pledge of secrecy. We can't breathe a word about what we have just discussed. The teaching-research balance is very sensitive on all of our campuses and some of us are just entering our collective bargaining cycle." The third responded, "And think of the provincial politics associated with creating another tier of post-secondary institutions in a province where every community has been encouraged to expect a research university."

They nodded in unison with the conclusion that, "Ontario is just not ready for these ideas. Such changes could only be made in response to a major crisis."

As they said their goodbyes, the three provosts agreed to meet again in a year, on April 2, 2009.

### **Escaping the comfortable straightjacket of policy uniformity**

So, my question this evening is whether the global economic crisis will induce Canadian reforms in postsecondary education and in other areas of public management that are currently locked in a comfortable straightjacket of policy uniformity.

Look at the policy uniformity that would have to be addressed to reform postsecondary education in Ontario. There is the policy that all universities should be funded on a uniform basis and be given an equal opportunity to select their own institutional mission. There is the implicit policy assumption that all faculty members are uniformly capable of doing societally useful research. There is the faculty association position that all faculty should be treated uniformly with respect to performance assessment. Such policies are comfortable because uniformity usually requires less thought, less judgement and less argument. But, as our provostial discussion suggests, policy uniformity can lead to very inefficient systems that eventually become unsustainable.

Although the Ontario government has since the 1960s been reluctant to get involved in designing the postsecondary system, I think that the economic crisis makes a stronger government role inevitable. While changes will be difficult and controversial, it is easier to make them during a time of enrolment expansion, and easier to accept during a crisis. With intelligent and sustained government attention, supported by enlightened leadership within our universities and colleges, I believe we could, indeed, break out of our policy straightjacket.