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A false economy? Canada counts costs of downsizing decade

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By Sarah Cunnane

A cap on hiring full-time staff is now taking its toll on institutions and students. Sarah Cunnane writes

Universities across the world are feeling the effects of the new age of austerity as governments respond to their financial circumstances by cutting back.

But the pain that many higher education sectors are facing today was felt more than a decade ago by universities in Canada, and the country's harsh budget cuts of the 1990s are now being touted as a model of best practice for those enacting similar reforms today.

The slashing of funding across the board hit the Canadian higher education sector hard: the proportion of federal funding fell from 80 per cent of universities' operating revenues in 1990-91 to 57 per cent in 2007-08, according to the Canadian Association of University Teachers (CAUT).

Stephen Toope, now president of the University of British Columbia, was appointed dean of the Faculty of Law at McGill University in Montreal at around the time the budget cuts were made in the province of Quebec.

He claimed that the sector had recovered "dramatically" since the reductions, which he said had been necessary.

"In Canada at the time, we really did have a massive debt load that all economists were pointing to as a major economic impediment to growth and recovery," he said.

Share the pain

Professor Toope said that because the retrenchment applied to all areas of public spending, the cuts to the higher education budget, while regrettable, were "easier to stomach" than if they had come in isolation. In fact, no department was spared from the cuts in the Liberal government's 1995-96 Budget.

Some recent statistics appear to bear out Professor Toope's assertion that the sector has bounced back. Data from Statistics Canada, the country's central statistical agency, show that the sector was nearly C\$500 million (about £300 million) in surplus in 2009.

In addition, a 2008 study by academics at Boston College's Center for International Higher Education found that academics in Canada enjoyed the highest rates of pay for

entry-level faculty members in the world and came second only to Saudi Arabian scholars in relation to senior staff pay.

Professor Toope also pointed to schemes funded by the government, such as the Canada Research Chairs, the Canada Foundation for Innovation and the Vanier Canada Graduate Scholarships programme, as evidence of the state's increased investment in the academy.

He said that because hard decisions had been taken early, the sector was now in a relatively strong position in fiscal terms and had seen "substantial" increases in provincial funding and philanthropic income.

"People have said that if they're in a position where they've not been devastated [by the financial crisis] that they're going to try to step up to the plate and help even more," he said.

However, last year the CAUT, in an open letter to the minister for finance, Jim Flaherty, wrote that despite an increase in funding since the cuts in the 1990s, current provision for post-secondary education fell more than C\$1.2 billion short of 1992-93 levels.

Christopher Innes, Canada research chair in performance and culture at York University in Toronto, said that staffing was still feeling the effects of the cuts.

"No new faculty were hired during the cuts," he said, "so there were no replacements for people who retired or left. We still had the same number of students – in fact, student numbers increased – but we hired lots of part-time academic teachers rather than full-time ones.

"So now at my university, more than 60 per cent of the teaching is done by part-time teachers or graduate students."

These part-time lecturers tend to earn lower wages and receive fewer benefits than their tenured colleagues and, during tough times, are likely to suffer the most. For example, in Ontario, non-unionised public-sector workers face a two-year pay freeze, part-time lecturers included.

Shut down

However, the importance of part-time staff was brought into sharp relief in 2008 when many of their number at York went on an 11-week strike.

"They were able to shut the university down," recalled Professor Innes. "It was very, very difficult for undergraduate students."

York has since made a commitment to hiring new full-time faculty members, but other universities have taken a different approach to the loss of academic staff in the 1990s.

“Some have just increased class sizes so that in the first two years, undergraduates just get huge lecture classes,” Professor Innes said. “They never get to talk to a professor.”

Alex Usher, president of the Canadian-based consultancy Higher Education Strategy Associates, agreed that current trends in hiring could be traced back to the budget cuts. “Our cohort problem is basically this: we didn’t hire anybody in the late 1990s,” he said. “At 15 years into a university career, that’s the time when people start hitting middle-to-upper management, becoming deans, associate vice-provosts – and there’s nobody in that age group here.”

Mr Usher said that as a result, people were waiting longer to retire while others were being promoted more quickly than perhaps was prudent.

“The idea that we’re hiring people 10 years into their academic careers as deans is nuts,” he said. “Anyone who gets hired spends their first six years getting tenure, and believe me they are not spending all their time thinking about university governance.”

He said that as a result, Canadian higher education institutions had failed to progress at the pace they might otherwise have done.

“The pace of promotion is increasing, and that’s making it difficult to get things done,” Mr Usher said. “When it becomes known that people are moving very quickly, the people who don’t want to change say: ‘We’ll wait. I’m not going to fall in line too much with this strategic plan because the person who put it together will be gone in a year.’”

Professor Innes and Mr Usher agreed that Canadian universities did not have adequate processes in place for career development. The former said that the focus on teaching for part-time staff may have irrevocably damaged the careers of a generation of scholars.

“We’re wasting all these doctoral students we’ve educated because they are gradually becoming unfit to pursue the profession properly,” he said. “They’re unlikely to get out of the part-time situation because they can’t compete on a research level with new graduates.”

Mr Usher said that the sector was “really bad at planning” and urged Canadian universities not to dwell on the past.

“There’s not a lot we can do about it at this point; we can’t go back in time and suddenly start hiring people,” he said.

He added that the sector had been bolstered recently by hiring academics from the US and the UK, but said the Canadian academy needed to stop “wasting” home-grown talent on non-academic positions.

Professor Innes said that the real victims of the cuts of the 1990s were the students studying at Canadian institutions today.

CAUT figures show that tuition fees in Canada have risen by more than 260 per cent in the past 20 years. Demand for places has been sustained, but Statistics Canada points to a reason for this: the average salary for a Canadian graduate is nearly twice that of a school leaver.

Professor Innes said that as a result of the cuts, “higher fees are charged, funding is not very good, and students get a pretty bad education and complain”.

He criticised the fact that below-inflation budget settlements were being made despite Canada surviving the global recession in better shape than the likes of the US or the UK. In particular, there has been anger that C\$150 million cut from the budgets of the research councils last year was not reinstated, in spite of federal stimulus funding for higher education.

However, Professor Toope said he did not share Professor Innes’ view.

“There have been some belt-tightening measures, but when I compare it with what is happening in the US and what may be in store for the UK, Canadian higher education has been extremely lucky.”

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The Government of Canada's rapid and substantial economic support measures have helped protect Canadians from a far worse economic outcome, prevented more layoffs, and have laid a foundation for a faster and stronger recovery. Going forward, the threat of a resurgent wave of COVID-19 and uncertainty surrounding the durability of the economic recovery, and the transition to a post-pandemic world, are the key risks to the global and domestic economies. The fiscal results for 2019-20 only partially reflect the impact of COVID-19. COVID-19 has fundamentally altered Canada's economy in a variety of ways, both positive and negative. (Evan Mitsui/CBC). Every facet of Canadian life has been changed by the current pandemic, from how and where we live, to how we shop, eat and work. While not all changes have been for the better, COVID-19 could bring about some positive changes to Canada's economy. Where we live. The pandemic has certainly wreaked havoc on one of the traditional pillars of Canada's economy – the housing market. Physical distancing requirements at the onset of the pandemic in March walloped the real estate industry because realtors couldn't host open houses, and buyers were concerned about the future. Here is a break down of accommodation & other cost of living in Canada. Before we discuss the average monthly cost of living in Canada, let us know a bit about the country. The country is known for its beautiful geographical features and acceptance of diversity. This nation also happens to be one of the most multicultural countries in the world.