

Remarks by Peter George

PETER GEORGE: These are five very interesting and very thoughtful papers and they complement each other marvelously. I must say, as I started to read these last night, that's why I didn't come to dinner, I started with Professor Dyzenhaus' paper and I got intrigued by it so what I have to say to start, is focused on that paper. I'm intrigued by it because I was engaged by the concept that the case for public intervention could be made on the basis of a seeming dichotomy between utilitarianism and pragmatic liberalism, and this could explain differential support by government for different discipline groups and research associated with those disciplines. I'm very sympathetic with the kinds of reasons given by Professor Dyzenhaus why government should support the study of humanities and social science to help create a decent, humane and civil society. But I also believe that engineers and medical doctors can contribute to these goals.

So I began to reflect on my own initial context for picking a discipline of study. What is the motive for students in selecting disciplines to study? We know there are young people who come to university and say I'm going to study law because all of the males in my family have been lawyers. Or I'm going to study Latin because it's a dying language and I want to make it live again. You know, there are many reasons for undertaking study. And my view is the utilitarian motive for both private and public investment in university education is really ubiquitous. It really crosses all the discipline lines.

The private return on investment is high and robust across all disciplines, the humanities included. And it's likely that the social rate of return is equally high and robust across disciplines. There are many people educated in professional disciplines which you might think are ex ante utilitarian, such as engineers and lawyers, who end up working in other areas, notably management, very soon after graduation. How many retired teachers do you know who are now financial advisors? Many graduates of liberal arts programs become corporate executives and really succeed in management; you might have thought they chose their disciplines initially because of pragmatic liberal motives but they end up in what appears to be obviously a more utilitarian kind of application of their skills.

What appears to be a choice of utilitarian ends or pragmatic liberal ends is I think a kind of false dichotomy. For most graduates it is the generic skills from each of these discipline choices that provides the ultimate pathway to employment, skills that they both need to adapt and choose alternate career paths.

For me that resonates with Professor Green's emphasis on education playing a critical role in expanding opportunities for individuals by enhancing their capacities. And for him capacities are technical skills, generic skills and Smith's "sympathetic" or Nussbaum's "narrative imaginative" or empathetic skills as Green calls them. There is a mix of these in all educational pathways and in all disciplines at the postsecondary level.

So, this teased me for a long time last night, and in the end I come away thinking that government funding in postsecondary education funding of both humanities and social sciences disciplines, as well as professional disciplines, is first because social returns are

high to graduates in all disciplines. I think that's pretty clear from the kind of work that Craig Riddell reported on.

Second, it's really hard to disentangle differential returns to specific disciplines because of occupational mobility and drift away from original disciplines of study.

Third, there are simply a lot of students who want to study humanities and social sciences. Add to those reasons things like market failure and the need to assure equality of opportunity for members of disadvantaged groups, and I think you have the principal factors that inform government intervention.

I want to focus a little bit on education and abstract from research, and then ask a fundamental question. Then if I have time at the end, I will come to the question that was asked this morning that nobody's tried to answer yet: why university presidents have been so ineffectual in trying to raise public support.

There will be private investment in postsecondary education because there is well-documented evidence on private rates of return. Private benefits are high and robust across disciplines. Now, this relates partly to the tuition fee issue too, and I just want to get out a pet peeve of mine. So many people are pushing the tuition fee button. Students will always want lower tuition fees because lower tuition fees will raise the return on their investment in education.

Second, there will be public investment in postsecondary education because there are well-known elements, both quantifiable and intangible, of social rates of return that are high and robust across disciplines. (Craig Riddell has discussed this thoroughly).

Third, there will also be public investment for equity reasons, particularly to enhance access for disadvantaged groups. Those arguments are well developed in Professor Melissa Williams' paper.

Fourth, there will also be public investment to promote the government's own goals, which may take the form of special targeted programs or regulatory interventions. (Glen Jones offers some trenchant observations on those.) That is why government invests in postsecondary education; and the case for research is also strong and broadens the picture, of course.

But we haven't made much progress yet on some fundamental questions. The analysis in these papers and other sessions of the conference provide really useful input into the discussion. In fact, taking public universities seriously is going to come down to resources.

The question remains, how much government investment in education, especially in postsecondary education is enough? And how much is appropriate? None of us has an answer to that question yet, except the universities think we do. COU has a position based on a vision for Ontario postsecondary education, that it believes is shared by the

provincial government. How does the government even begin to frame the response? How does it build on its platform commitments to create a vision and mission for postsecondary education, around key elements such as quality, access, research and development, and so forth?

Now, Premier McGuinty has recently been making more public statements about the importance of postsecondary education. We're pleased about that and we hope he is setting the stage for Mr. Rae's report and the articulation of a vision that the government will embrace.

But take quality for example. The universities of Ontario and COU have quality benchmarks. Roger Martin's task force on competitiveness and prosperity has benchmarks. Does the government of Ontario have similar benchmarks? If so, then the dialogue can begin to set a target level of resources per student, appropriately benchmarked against comparators who, for the universities of Ontario, will always be universities in jurisdictions with far higher levels of total resources, and incidentally, far greater public support per student. And then the second order question will be: who pays? What is the share to be paid privately by the student and what share publicly by government? Knowing the private share will help then determine the necessary student assistance program to meet accessibility and equality goals. It seems really simple!

Now to this morning's question: Why have universities done such a lousy job securing resources from government with the exception of research funding, in the last ten years? First, it's because the emphasis on social returns notwithstanding, the concepts, articulation, and calculation of social returns is extremely fuzzy and in many cases impossible. We're becoming better at articulating the case for social returns as Craig's paper demonstrates, and as COU and AUCC materials of recent years show. But still it's very hard to get a definitive picture of the social returns related to specific incremental expenditure of public funds. The body of evidence is simply not convincing enough in its present form.

Second, I think it's because the private returns messages are mixed. Students and their parents put less effort into advocating for quality. I think that's partly because quality notions in universities are fairly abstract. There are ones that leap out, like student-faculty ratios and the preponderance of large classes. But beyond that, it's very hard for parents especially, to get a grasp on some of these elements around quality. They put more energy into advocating for reduced tuition and more student aid, because by lowering the cost to them privately, it's a much more assured way of increasing the rate of return on private investment in education than the more nebulous benefits of increased investment in quality. Both an increase in quality and a reduction in fees should lead to increased private rates of return, but I think they see tuition and student aid as more actionable, and hence they divert their energy towards those means.

The third point I would make is we don't really know how government allocates its funds anyway. I have this image of Treasurer Greg Sorbara sitting in his office at budget time. He's got a big data sheet in front of him and he's got estimates of the marginal social

rates of return on an additional dollar of public investment for each of the public sectors that he is responsible for, and he's saying to the Deputy and the Assistant Deputy, all right, we have another dollar to spend. Do we get more bang for our buck out of moving one person off the cancer wait list, moving one more worker into the Ford plant in Oakville, or admitting one more sociology BA student at McMaster? It would take a very brave Deputy Minister or Assistant Deputy Minister to say let's invest in more sociology at McMaster.

So many of government's decisions are lumpy decisions. And so many data limitations make it difficult to make really informed decisions at the margin, where incremental government expenditures should go. It becomes instead very much an issue of advocacy, and the apparent public urgency of certain kinds of investment decisions. I think we're doing a better job of getting the advocacy message across but sometimes our allies are not always with us. And I think the debate around tuition and student assistance is a perfect example of that.