

OPINION

Helping universities pays long-term dividends

By: Robert Chernomas and Ian Hudson

You don't often hear politicians exalt the benefits of a less-educated population. Yet many provincial governments across the country are putting in place policies that are going to have that effect.

According to the National Observer, the Ford government in Ontario has removed free tuition for low-income students; cut \$300 million in financial assistance for college and university students; and cut tens of millions in research funds for science and technology, including stem cell research, quantum computing, and the Institute for Competitiveness and Prosperity.

The Pallister government in Manitoba has followed much the same path, although in a less bombastic fashion. The 2019-20 budget cut 0.9 per cent from operating grants and strategic initiatives, which funds all post-secondary institutions in the province. In real terms (including inflation), this is closer to a three per cent cut.

In response to the funding cuts, tuition has increased in the province. At the University of Manitoba, it went up 6.6 per cent. At the same time, the province cut 210 Access program bursaries for students in financial need. The province has previously eliminated the tuition tax credit for university graduates working in the province, inevitably contributing to the brain drain.

In addition, the province has traditionally matched funds from the federal Canadian Foundation for Innovation projects. The Pallister government has reduced the Research Manitoba budget by a third, suggesting that research is not among its priorities. In a press release, U of M Students Union vice-president external Owen Black said the cuts confirmed the Progressive Conservative government would "continue another year of attacks on post-secondary education."

Evidence of the costs of this foolish penny-pinching is easy to find. Investments in public education improve macroeconomic performance, alleviate cost pressures on social assistance and create better citizens. According to a 2019 Conference Board of Canada report, "The Economic Case for Investing in Education," every public dollar invested generates \$1.30 in economic returns in Ontario. Education cuts may save the government money, but they actually cost the broader economy much more.

Making post-secondary more expensive and less accessible will have long-term negative effects on both individuals and the broader economy. Tuition increases reduce intergenerational social mobility. A U.S. study by Harvard University's Thomas Kane found

that states with the highest increases in tuition had the largest increase in enrolment gaps between high- and low-income students.

A less educated population will also increase social-assistance spending in the future. According to the Conference Board of Canada, 11.6 per cent of high school dropouts in Ontario require social assistance, compared to 8.5 per cent of high school graduates, 7.2 per cent for those with college degrees and 3.8 per cent for university graduates.

A more educated population also earns higher incomes and, therefore, pays more taxes in the future. Among OECD countries, workers scoring at the top level of literacy earn 61 per cent more than those at the lowest level.

Education also fosters a more engaged citizenry. According to the Conference Board, educated individuals engage more in civic activities — high school graduates are 12 per cent more likely to volunteer than those without high school, college graduates 35 per cent more likely, and university graduates 62 per cent more.

According to 2013 study of OECD nations, adults who score at the highest levels of literacy are twice as likely to engage in volunteer activities as those with the lowest proficiency.

The effects of these cutbacks are not limited to constraining democracy and increasing the costs to social services. They also reduce the quality of research that can be done by universities. This is especially important in Canada. In the *Toronto Star*, University of Toronto chemistry Prof. Mark Lautens and former U of T president and current professor of medicine, David Naylor, pointed out that Canada is 20th in OECD research spending, largely because the business community spends far less than its counterparts on research and innovation.

This means the public sector's role in this country is especially important. Unfortunately, the Harper federal government tied its meagre funding contributions for research to applied partnerships with business. This channelled innovation away from independent basic research. Canada's competitors, such as Germany and the U.S., do a better job of funding basic research — the U.S. Congress passed a bill increasing funding for the National Institutes of Health to US\$41.1 billion, four times higher per capita than Canada's equivalent federal agency.

Lautens and Naylor argue that "their policy-makers view funding research as essential to spurring innovation and integral to their prosperity."

The costs of education cuts may not be immediately obvious, but they are no less destructive. The people of Manitoba should insist that the parties in the upcoming provincial election clearly demonstrate how they are going to ensure the research capacity, accessibility and quality of post-secondary education in this province. For the current government, it would have to be a dramatic change in course.

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