

PRIVATIZATION & POST-SECONDARY EDUCATION | Part 1 of 8 |

by Alistair Croll

This Christmas, Dalhousie University announced a substantial hike in tuition fees. This announcement follows hard on the heels of similar increases in Quebec, where the provincial government has unfrozen tuition levels that have remained since 1968. It is part of a growing trend in post-secondary education (PSE) towards independent funding and away from the government programs which subsidize education costs.

There are 68 Canadian degree-granting institutions across Canada with a total of 514,000 full-time students enrolled last September. Of these 68 institutions, 56 were busy fund-raising, with an incredible \$1.2 billion as their collective goals.

Maintaining Canadian universities this year will cost an estimated \$8.9 billion, according to Statistics Canada. Recent federal cutbacks are forcing universities, faced with higher costs, to look elsewhere for funding.

Dalhousie seems a bargain — at \$1950 a student for one year's tuition — compared to its American counterparts (tuition at Harvard this year is \$16,088, for example). But in comparison with other Canadian universities, Dal is among the most expensive.

Making universities economically sound means drastic changes in their financial and administrative structures. Many institutions accept funds from private enterprises, in effect making themselves marketable commodities. Signs of corporate presence on most campuses are obvious — from sponsors of campus events such as carnivals and orientations to capital contributions in return for corporate "good will". In fact, in a recent exclusivity deal, Pepsi-Cola paid \$250,000 towards a new stadium at Concordia University in return for the exclusive rights to sell Pepsi products on campus.

Privatization — changing a university into a private, economically independent entity — is a topic about which there is little agreement. To fully understand the complexities of the issue, it is important to have a good grasp of the current financial structure of PSE in Canada.

Universities are funded by the government mainly because a university education involves what economists call an "externality". That is, the benefits society reaps from a researcher's discovery of, say, a cure for cancer are well worth the investment in that researcher's education. The benefits to society of having an educational system are far higher

than the benefits to the individual who receives that education.

Unfortunately, when we privatize education, we are forced to concentrate on those areas which are more profitable. Dalhousie has a \$105-million budget, and if it were to become a private institution, it would have to concentrate on those areas of its education which brought in money.

In a recent *Maclean's* interview, Tom Digby, VP Internal of the DSU, said, "buildings are liter-

ally crumbling. Labs are doing more experiments with less equipment. The whole idea of university life is being damaged."

interests will be open only to those who can afford them. Dalhousie economics professor John Graham served as the chair of the Royal Commission on Education, Public Service, and Provincial-Municipal Relations in 1974. Graham considers that "there is some public benefit from students attending univer-

sity" and that "the benefits of research are social ones, so the government should pay for those."

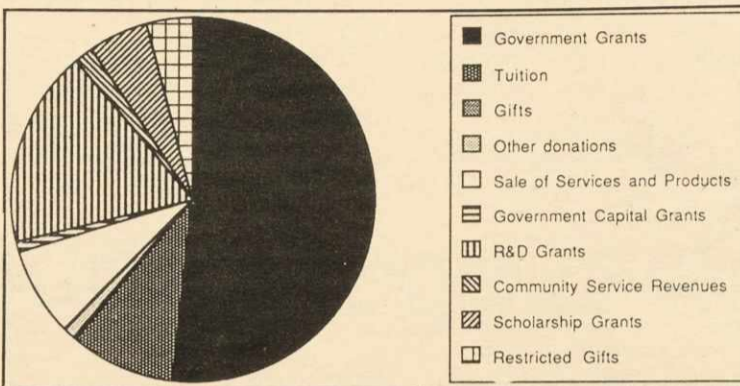
There are, however, convincing arguments for the increase of tuition fees at Canadian universities. Graham said that the private benefits often tend to outweigh the public ones, and that because university students are statistically from middle- and upper-class backgrounds, the lower classes are, through taxes paid for education, sending the rich to school.

Graham would like to see university accessibility based mainly on "interest and ability, not on economic status".

The main criticism of increases in tuition fees is that they limit access to university from those students with lower-income backgrounds. If there were an effective scheme of repayment, perhaps contingent on future earnings, many people feel the increases in tuition would be less dangerous to students.

Throughout the debate on privatization and tuition fees, schools must strike an equitable balance between lowering tuition fees on campus and keeping the corporate presence at bay. While some proponents of alternative

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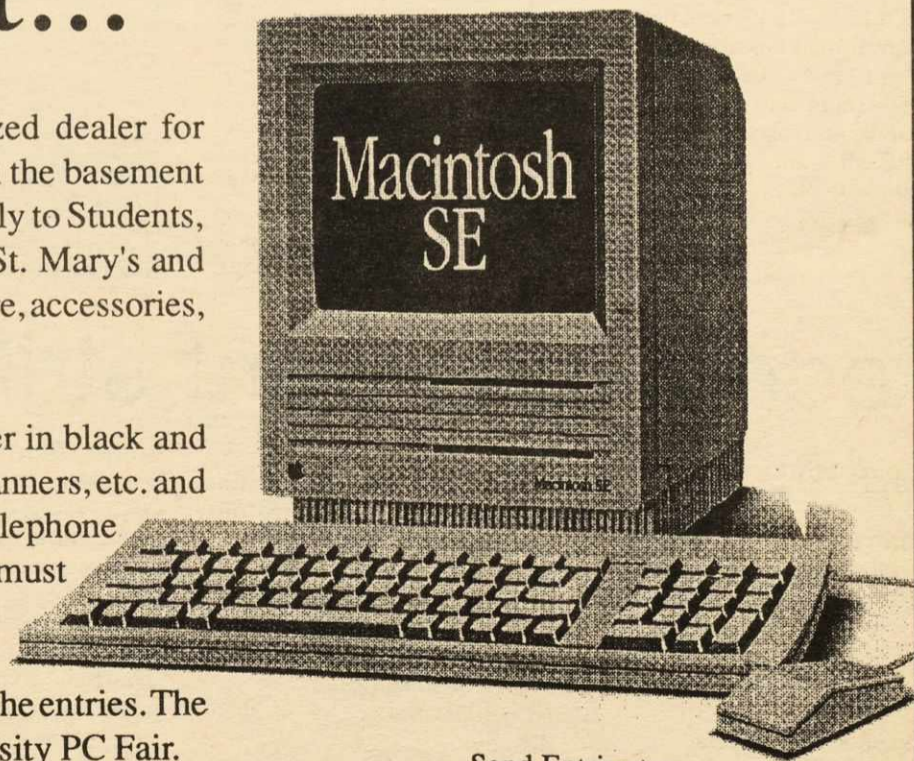
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