

Law Amendments Committee on Financial Measures Act
Julia M. Wright

Thank you for the opportunity to submit my concerns to the Law Amendments Committee in writing.

Much concern has been raised publicly about this budget, including its founding premise that austerity is the answer. Austerity is an academic scandal. It started when two US economists, Carmen Reinhart and Kenneth Rogoff, published an article in 2010 contending that "high debt/GDP levels (90 percent and above) are associated with notably lower growth outcomes. Much lower levels of external debt/GDP (60 percent) are associated with adverse outcomes for emerging market growth" (577). The idea of a magic tipping point captured media attention, and then governments: Greece was the first to jump on the austerity bandwagon, and it is still in financial and social crisis. And with good reason: Reinhart and Rogoff, notoriously, left their number-crunching to Excel (Krugman). Once they made their numbers public and other researchers looked over their data, it became clear that there is no tipping point: their conclusions were simply wrong. Economies do not fall into crisis once their debt rises above a certain level--and we should all be checking each other's math.

Some are now arguing for a return to the deficit financing that Canadian governments relied on a generation ago--economic stimulus to nurture and encourage, rather than economic deprivation to force disruptive innovation. But there are no easy solutions to balancing potential for growth through education and business tax credits, with the negative effects of high taxes. Most of the people I know think we're under-taxed in Nova Scotia, and would pay higher taxes to better support health care, community services, education, road and infrastructure maintenance. Raising taxes on higher income brackets to support public services and institutions seems better than cutting support to people with disabilities; cutting tax credits to large corporations and banks seems better than cutting tax credits to the developing film industry that impacts the provincial economy at a grass-roots level; increasing taxes on unhealthy products (more on cigarettes, also junk food, alcohol) seems like a long-term investment in NS health care and a way of generating revenues to support education at all levels. I grew up under Pierre Elliott Trudeau's Liberals, and this is how they operated--and Canada prospered then, and my university tuition soon after Trudeau was about 1/7th what my students are paying now.

This brings me to the point on which I wish to focus, summarized in the press release as follows: "Allow universities to make one-time market adjustments to tuition, to charge similar amounts for similar programs. Maintain the three per cent cap on tuition increases for Nova Scotia undergrads once market adjustments are applied; remove cap for out-of-province and graduate students" (<http://novascotia.ca/news/release/?id=20150409002>).

Because tuition is now many times higher than a generation ago, most students work instead of just a quarter or third, and many of them work two or three part-time jobs. This, inevitably, increases the unemployment rate across the board: students are eating up entry-level jobs at 2 or 3 times the rate of the previous generation. And because they're all working, often far from campus, they have significantly less time to study.

If you want to address business concerns about the preparation of university graduates, look no further than this: this generation of students is completing all of the

requirements of an undergraduate degree with a fraction of the study and learning time available to previous generations. Education is only partly rooted in classroom hours and testing: much of its benefits come from students talking to and learning from each other, studying and thinking about the material for the sake of curiosity rather than grades, exploring subject matter beyond required materials and so getting more context for those required materials. The less time they have for this, the less they get out of their educations.

Give them the time to study that their parents' generation had, and they will flourish and excel: they are smart, hard-working, creative, and resilient. Raise their tuition, and I will see more exhausted students who have difficulty concentrating, and more students who miss classes because their boss calls them into work on short notice, and more students who are struggling to keep up with readings because they just don't have enough time after working to pay tuition. Worse, there is growing evidence that high tuition is contributing to mental health issues (see Flatt). Pause for a moment and consider the long-term impact of that on our society, our healthcare system, our economy—and, above all, our people.

I urge you to reconsider allowing tuition fees to increase at all. Universities are in a financial bind, but per-student spending has not kept pace with inflation (CAUT). There are arguably three main causes of Nova Scotia universities' financial difficulties at the moment:

i) **the end of mandatory retirement** without university plans to facilitate voluntary retirement has led to a top-heavy faculty cohort: lots of senior faculty, with end-of-career high salaries, are not being retired out of the system and replaced by low salaries through new faculty appointments, as was the usual process under mandatory retirement. There are still options. In Ontario in the mid-1990s, in another province-wide crisis, attractive early retirement packages were offered to senior faculty at some universities; enough chose the packages to solve those universities' financial problems overnight. But at Dalhousie, for instance, every retirement has to be negotiated afresh—and faculty have been asking for some retirement program to facilitate this process for years without result.

ii) money has been **leached from the academic operating budget** to support growing upper-level administration and capital expenditures (shiny buildings). A symptom of both is Dalhousie's newest building: it has offices, it has residence rooms, and it is very shiny, but it does not have a single classroom in it.

iii) **declining provincial funding** and the shift from a per-student grant to a block grant that has no accountability built into it to direct dollars to students and the academic mission.

Raising tuition does not address any of these underlying problems, and neither does Bill 100.

It only offloads the problems created at the senior management and government levels onto eighteen-year-old Nova Scotians, and that really does not seem fair or wise.

I urge you to reinstate the caps, retain the bursaries, and drop the idea of a deregulating any tuition. First try addressing the causes of universities' financial difficulties—addressing (i) and (ii) would have no impact on the province's budget—before you increase the already excessive burden on Nova Scotia's youth and adults seeking to advance their educations for job retraining or other purposes.

References:

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