

Tom Traves Speaking Notes
IPAC Luncheon
November 29, 1995

* profound re-thinking of the role of the state

in part motivated by continuing

- fiscal crisis
- political success of neo-conservative ideological attack on liberal state that evolved post WWII
- programmatic failure of neo-conservative vision
 - trickle down economics haven't worked (widening income gap)
 - freer markets haven't produced jobs needed to absorb potential labour force

- Where are we? In a word, we're in muddle.
 - in practical terms, fiscal crisis demands that we continue the attack on dependency
 - federal transfers to less developed regions CHST cuts
 - cuts to welfare, UI
 - cuts to regional development programs
 - Inevitably, regions like Maritimes will have to become more self-reliant and self-sufficient. What capacity do we have to respond to such a challenge?

- This brings me to the role of the university.
 - Since continuous post-sputnik expansion of university system that started in late 1950s, universities have explained their role and justified their claims on tremendous amounts of public support on two arguments in terms of individual social mobility for students. Universities undoubted road to the middle class - higher incomes, lower unemployment rates and greater job satisfaction. Despite tough times facing current university grads it is still undoubtedly the best personal investment, but harder to justify to the McJobs generation.
 - Second rationale for university based on a vague, generalized notion that investment in university system led to economic growth - mechanisms unclear but rested on general human capital arguments.
 - With the long-term economic decline we have been passing through, confidence in this argument greatly weakened. If investment in higher education led to greater growth, then economic decline must be the fault of poor universities. As a result, for the past decade universities have been on the defensive re quality, relevance, efficiency.
 - In my view the argument for self-sufficiency and self-reliance requires a slight recasting of the traditional arguments.
 - Individual social mobility argument still holds, but we need a frank appreciation that this may include geographical mobility as well.

- the students who are in university now are our children and grandchildren
- when they graduate, most of us hope they'll find work in our region - if they can't and many won't, we need to make sure they have the capacity to move to higher growth regions or countries and flourish in those environments - is that a wasted investment in human capital? I would argue emphatically not - remember, they're our kids - do you want them to move and be unemployed? Or should they stay here and be a drain on our relief systems?
- more positively, we have to use our universities as major development agencies to help the social, cultural and economic development of our province - at the same time, the universities have to accept such a mandate as a central part of their mission and adapt internally to achieve greater success
- allow me to be parochial for a moment
- Dal earns \$35 - 40 million a year in research grants and contracts - 7-% of all external research funds in Nova Scotia university system. With these funds we hire about 450 highly educated researchers, technicians and support staff - not a penny of public money goes into their salaries.
- in the future we will have to do more, much more of this kind of work. More of it will have to be in the form of partnerships with private sector firms or spinoff companies. Let me give an example. Several years ago one of our Oceanography professors formed a small research company, SATATLANTIC, to develop the eco potential of acoustical sensors in measuring ocean-based environmental developments.
- this firm has prospered, now employs 25 private sector employees and recently SATATLANTIC offered Dal a \$1,000,000 grant over five years to create two industrial chairs in this field. Under NSERC program Dal will receive matching funds from NSERC for five years, so \$2 million will flow into the university to create research professorships, jobs for technicians and an opportunity to expand our academic programs in this area - in time, SATATLANTIC, Dal and NSERC hope this investment will lead to further spinoffs.
- Dal's future lies in such funding. Nova Scotia's future lies in such projects. (In this context, I would suggest that the absence of a research and development strategy in Nova Scotia and the absence of any provincial research funding is a serious competitive liability for our universities and their corporate partners.)

- the university also has to play a greater community development role. Once again Dal is very active in this regard [optional - Our Dental Faculty, for instance, just opened a free clinic in North Preston to serve the local population through a school based community centre.]* Our Physiotherapy Department has been running the Cardiac Prevention Research Centre for the past three years linking together projects generating research on healthy aerobic lifestyles, putting on community education projects and providing direct service to the rehabilitation of heart attack victims. This project has been funded by a \$1.3 million corporate donation from a national drug company and produced striking results. Recently the government of Kuwait approached Dal to export this program to their country. So, social service and community development projects also have an export potential. [- Our School of Public Administration and Henson College are interested in working together with the Nova Scotia public service to create new professional development options for public servants.]
- all of these activities require a substantial public investment to generate the kinds of public benefits and economic growth opportunities I've described. But public investment in universities has been falling steadily in real dollar terms for the past 20 years. To date all of us have increased productivity dramatically and cut back year after year on activities, and increased tuition fees to substitute for public grants. This will continue to be the case for years to come. We also have to continue to spend our funds more wisely.
- This brings me to my last point. As you know, for the past six months the universities in Halifax have been working to create a consortium to share infrastructure services and gradually increase collaborative academic programming.
- On Friday, we will present our efforts to the Minister of Education, but since they have been reported in the media already, let me outline them slightly.
- At the heart of our consortium is the creation of a new \$45 million service enterprise that will deliver physical plant, computer, library, financial and personnel services, as well as registrarial activities to all of the universities. We reckon this centralization and downsizing of service activities will save us over \$5 million annually when fully realized.
- While Dal originally pushed a model of complete academic amalgamation, this vision did not gain the support of our sister universities or the government. So we have compromised on the consortium model and made good progress on the

service side. On the academic side, the desire to preserve local identities has prevented an equivalent centralization, but we have established a new framework to facilitate future academic collaboration and resource sharing. As government cutbacks continue, the pressure towards further integration may grow, and if so, Dalhousie will welcome that development.

- This is a modest, but positive first step in a system where competition and back biting has been the norm for far too many years. The metro universities have broken through to new ground, have volunteered to work with substantial budget cuts in the future and we have set the base for further development. Needless to say, I haven't had much time to think about much else since I arrived at Dal in July, but with this issue drawing to a close, I hope the university can now focus directly and more effectively on its next task, which is to earn the support and respect for its mission as a key motor in Nova Scotia's future development strategy. For better or worse, we will stand or fall together.

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- inevitably the regions like Maritimes will have to become more self-reliant & self-sufficient - what capacity do we have to respond to such a challenge?

- This brings me to the role of the university

- since ^{continuous} post-^{secondary} expansion of U system ^{that started late 1950s} in ^{1960s}, U's have ^{enormous} ^{amounts} of public support ⁱⁿ ^{terms} of individual social mobility for students > U's ^{undoubtedly} ^{road} ^{to} ^{the} ^{middle} ^{class} - higher incomes, lower unemployment rates & greater job satisfaction - despite ^{rough} ^{times} ^{facing} current U. grads it is still undoubtedly the best personal investment, but harder to justify ^{to} ^{the} ^{McJobs} ^{generation}

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- with the long-term economic decline we have been passing through confidence in this argument greatly weakened - if ^{investment in} higher ed. led to greater growth, then eco. decline must be the fault of poor universities - as a result for the past decade U's have been on the defensive re quality, relevance, efficiency

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- individual social mobility argument still holds, but we need a fresh appreciation that this may include geographical mobility as well -

- the students who ~~of~~ are in university now are our children + grandchildren - when they graduate, most of us hope they'll find work in our region - if they can't & many won't, we need to make sure they have the capacity to move to higher growth regions or countries & flourish in those environments - is that a wasted investment in human capital? I would argue emphatically not - ^{remember} ~~just of all~~, they're our kids - do you want them to move ~~or stay here~~ & be unemployed? or should they stay here & be a drain on our relief systems?

- more positively, we have to use our universities as major development agencies to help the social, cultural & economic development of our province - at the same time, the universities have to accept such a mandate as a central part of their mission + ^{adapt} ~~organize~~ internally to achieve greater success

70% of all external research funds in NS U. system

- allow me to be parochial for a moment
- Dal earns \$35-40 million a year in research grants + contracts -
- with these funds we hire about 450 highly educated researcher, technicians + support staff - not a penny of public money goes into their salaries -
- in the future we will have to do more, much more of this kind of work - more of it will have to be in the form of partnerships with private sector firms ^{or spin off companies} - let me give an example - several years ago one of our Oceanography profs formed a small research co., ^{SATATLANTIC} to develop the eco potential of acoustical sensors in measuring ocean-based environmental developments -
- this firm has prospered, now employ 25 private sector employees + recently ^{\$1,000,000 over 5 years} ~~\$500,000~~ grants, to create 2 industrial chairs in this field - under an NSERC program Dal will receive matching funds from NSERC for 5 years, so \$2 million will flow into the university to create research professorships, jobs for technicians + an opportunity to expand our ^{academic} research programs in this area - in time, SATATLANTIC, DAL + NSERC hope this investment will lead to further spin offs

- Dal's future lies in such funding - Nova Scotia's future lies in such projects (in this context, I would suggest that the absence of a research + development strategy in N.S. + the absence of any ^{provincial} research funding is a serious competitive liability for our U's + ^{their} ~~our~~ ^{corporate partners})

- The U. also has to play a greater community development role - once again Dal is very active in this regard [^{optional} on dental faculty, for instance just opened a free clinic in North Preston to serve the local population thru a school based community centre] - *our Physiotherapy Dept. has been ^{Cardiac Prevention Research Centre} running ^{halls} a ^{program} for the past 3 years linking together ^{projects} generating research on healthy aerobic

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of Kuwait approached Dal to export this program to their country - so social service & community development projects also have an export potential -

[- our ^{school of} Public Administration & Anson College are interested in working together with the N.S. public service to create new training professional development options for public servants]

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● Upon this centralization & downsizing of service activities will save us over \$5 million ~~over~~ ^{annually} when fully realized -

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