Continuity, Retrenchment and Renewal in Public Policy: The Case of Government-University Relations in Ontario, 1985-2003

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Since the Second World War, making arrangements for the provision of university education has become a core function of the modern state. Determining the proportion of the population that should proceed to university education, the boundaries between university education and other forms of adult instruction, the public obligation for funding education and supporting students' living costs, and the financial and governance arrangements that best enable public expectations for universities to be met are key decisions in any jurisdiction. With the emergence of an increasingly knowledge-based and global economy, these decisions have become closely linked to broader government strategies for economic development and social welfare.

Despite the importance of government policy towards universities, the politics of the relationship between governments and universities in Canada is relatively unexplored. Much has been written about the state of the university and the effects of government policy on universities' circumstances. Less often do we consider that university policy is itself the product of a political process.

My empirical objective in this paper is to illuminate the connections between university policy and policy development in other parts of the welfare state. The formation of modern university systems in Canada was institutionally distinct from the creation of other parts of the welfare state, but there were significant overlaps in timing and in the political actors involved. Many of the issues in establishing university systems in each province were similar to those for other welfare state programs. For example, governments needed to decide who would be eligible, what fees users would pay, how access would be provided to those with low incomes or to those living in remote areas, and whether the providers would be public institutions, private ones, or both. It is therefore reasonable to consider how the ideas, norms and values underlying the creation of the Canadian welfare state affected the political actors who were responsible for the universities, and whether changes in the universities in recent years offer any lessons about the fragility or durability of the welfare state as a whole.

My theoretical objective in this paper is to propose a synthesis of several models of how public policy changes over time. The phenomenon of long periods of policy continuity punctuated by short periods of rapid change has been widely observed. The paper reviews four models that purport to explain this pattern, each falling within the historical institutionalist

tradition, and examines the types of policy phenomena that each model is implicitly or explicitly designed to address. I propose a synthesis of the four that is better able to account for the data in this case than is any single model. By doing so, the paper contributes to establishing a dialogue among theories whose development has proceeded largely independently.

The paper addresses these questions by looking at the politics of government-university relations in Ontario from 1985 to 2003. The election of David Peterson's Liberal government in 1985 – following back-to-back recessions and a slow economic recovery – created an opportunity to challenge policy assumptions that had developed during the Progressive Conservatives' forty-three years of continuous rule. The combined effects of the decline of the Keynesian state, trade liberalization, the end of the Cold War and globalization began to place unprecedented pressures on the province's manufacturing and resource industries. In 1990 the provincial economy began its severest downturn since the 1930s, coinciding with the election of a New Democratic Party government with social democratic leanings and strong labour support. In 1995 the NDP was in turn replaced by a Progressive Conservative party government committed to a balanced budget and what was widely perceived as a neoconservative agenda.. This government was re-elected in 1999 – the first Ontario government to win back-to-back majorities in three decades – and then defeated in 2003 by Dalton McGuinty's Liberals. The paper examines how policy changed during this period, situating this examination within the theoretical literature on how public policy changes over time.

Investigating policy continuity and change: a theoretical framework

Here I set out briefly four models of policy change and propose a synthesis. I argue that, rather than providing competing explanations, the models are largely complementary: each illuminates distinctive circumstances in which change may occur and processes by which change happens.

Paradigm shifts: friction between established policies and new ideas

Peter A. Hall's classic model of paradigm shifts suggests that change happens as a result of friction between an established policy paradigm and new ideas about how the world works and what policy goals a government should try to achieve. Hall sets out three orders of change in

public policy: changes in "instrument settings," changes in the instruments or techniques used to attain goals, and changes in all three components of policy – the instrument settings, the instruments themselves, and the hierarchy of goals that underlie policy. This last order of change is accompanied by changes in the discourse used by policymakers and in their analysis of how the society or the economy works. Hall calls the third order of change a paradigm shift. He notes that

> policymakers customarily work within a framework of ideas and standards that specifies not only the goals of policy and the kind of instruments that can be used to attain them, but also the very nature of the problems they are meant to be addressing. ... [T]his framework is embedded in the very terminology through which policymakers communicate about their work, and it is influential precisely because so much of it is taken for granted and unamenable to scrutiny as a whole.[1]

This framework, or policy paradigm, may be challenged by new ideas, but in the end it is political decisions, rather than the ideas themselves, that determine whether there is a paradigm shift. Thus change is most likely where institutions and ideas are in friction with one another, and politicians are the agents who bring institutions into line with new ideas.

In addition to providing a model for policy change, the concept of a paradigm helps illuminate why policies may resist change. Margaret Weir has shown that a strong alignment between ideas and institutions may have the effect of closing off policy options and promoting continuity. Decisions at one point in time can send policy onto a particular path which becomes self-reinforcing as institutions and actors adapt to it.[2] Arguments based on path dependency need not be determinist, in that institutions may narrow the range of policy possibilities without precluding change entirely. Even a well-established paradigm may be challenged by contingent events.

The paradigm may also be reshaped by what Kathleen Thelen has called "paradigm

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[1]Hall (1993), 277-284, quotation at 279.

[2]Weir (1992a), 192.

layering."[3] Within an existing institutional arrangement, a new coalition may arise that succeeds in establishing a new institutional arrangement but lacks the support to replace the old one. Such a case raises the questions of how the new paradigm found its political base of support and how each paradigm affects the overall trajectory of the other.

Friction between political actors and an established policy network

Frank R. Baumgartner and Bryan D. Jones's punctuated equilibrium model proposes a different way of looking at how major policy change happens after long periods of continuity, focusing on the effect of elected political actors. In this view, most issues most of the time are managed through policy networks -- that is, the set of actors with a direct or indirect interest in an area of public policy who attempt to influence it.[4] Yet from time to time an issue moves higher on the political agenda, usually because new participants have become interested in the issue, and often because they have brought heightened media attention to the issue. The sudden attention paid by the elected actors to issues normally managed by a policy network creates opportunities to move policies forward. New political actors, such as a newly elected government, may look at an issue in a new way. Alternatively – especially in a federal system of government – a level of government that was previously uninvolved in an issue may choose to become involved and take the issue in a new direction.

The difference between this model and Hall's lies largely in the role of ideas. The power of policy paradigms as a concept derives from the fact that they are so pervasive as to be scarcely noticed: actors take them for granted, and institutions are structured to support them. But many policies do not fit this description and are in fact the subject of conscious debates among political actors – during election campaigns, in the legislature or in the media – about the best way to solve

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[3]Another example is "institutional conversion," when an existing institution is redirected to a new purpose. Thelen says that these are but two possibilities among many. (2003, 225-226)

[4]This definition follows closely the definition of policy community in Coleman and Skogstad (1990), 25, 26. Coleman and Skogstad distinguish between a policy community (a set of actors) and a policy network (the relationships among the actors), but for simplicity I will normally use the term "policy network" to refer to both.

a policy problem. Looking at how these policies change – I call them mid-level policies – may provide explanations for how members of the policy network strategize and interact on a year-to-year basis.[5]

Adoption of new ideas within a closed policy network

An apparent implication of these two models is that significant policy change must have its origins outside the policy network that has day-to-day responsibility for managing a set of policy issues. If true, this should cause us to look exclusively outside the policy network for sources of change and to see the policy network itself solely as a defender and refiner of established policies.

Rather than making this assumption *ex ante*, William Coleman, Grace Skogstad and Michael Atkinson have proposed an alternative model suggesting that certain types of policy networks may develop a paradigm shift from within. This outcome can be expected where a policy network is characterized by a few associations that represent all of the interests in a field, where the associations have longstanding relationships with one another, and where they have a deep communications relationship with their members. The network is also characterized by policy issues that have little visibility to the public at large and whose success or failure may not be readily traceable by the public to the government. In such a case there are incentives for the network to respond to external change by negotiating a new policy consensus for itself, rather than having one imposed by actors from outside the network..[6] This model suggests a different focus for our attention: we ought to look closely at the internal workings of the policy network to see whether major policy changes are being negotiated within the network, with little or no political fanfare.

State-imposed retrenchment

The experience of Canadian governments in the 1990s in reducing program expenditures suggests that we should also consider Paul Pierson's model of change driven by central agencies of government in the face of opposition by most external interest groups. Such a model has at its

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[5]Baumgartner and Jones (1993, 2002a, 2002b) do not directly address how their model differs from Hall's. The distinction I draw here is my own.

[6]Coleman, Skogstad and Atkinson (1997).

heart the premise that the politics of retrenchment is different from the politics of expansion.[7] The objectives of retrenchment are diffuse – such as lower debt servicing costs, lower taxes, a more efficient public sector, or stronger incentives for private investment and work – and so the direct participation of external interests advocating retrenchment may be minimal. Politicians' objectives in this environment are to avoid blame (rather than to seek credit for creating new program benefits), and they operate in an environment where program beneficiaries face real losses (rather than hard-to-specify gains).

This model suggests that politicians need to adopt different strategies if retrenchment is to succeed. Strategies of working with external interests, seeking their support, and claiming credit for new benefits will not succeed, and – by extension – models based on accommodating external interests are unlikely to be satisfactory. During retrenchment, the most important external interests are program beneficiaries, and so government strategies are directed at minimizing their opposition.

Comparing four models of policy continuity and change

Table 1 summarizes and compares the positions of these four models on some key theoretical points. Each of them provides insights into how to explain certain types of policy change. Rather than seeing them as competitors, I believe it is better to acknowledge that the terrain of public policy is vast, with many types of policies and many types of changes, and that each model is intended to explain specific types of policy change, with minimal overlaps among them.

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[7]Pierson (1994).

Table 1: A comparison of four models of policy continuity and change

	Friction between new ideas and established policy equilibria	**Friction between elected actors and an established policy network**	**Adoption of new ideas within a closed policy network**	**State-driven retrenchment**
Distinction between the politics of continuity and the politics of change	Normal politics (new policy instruments, or adjustments to established instruments) versus paradigm shift (new interpretive framework about how to define and solve problems)	Micro-politics (stable or incremental policy development by the policy network) versus macro-politics (problems, policy solutions and politics become aligned at critical points, so policy moves from one equilibrium to another)	No explicit distinction – the policy network manages both major and minor changes.	Normal politics (stability or incremental growth in programs) versus retrenchment (reduction in current and future expenditure, narrowing of goals, creating impediments to future program development)
Institutional focus	Interaction between political actors and government departments and agencies	Interaction between political actors and a policy network (government departments and agencies, major clients and interest groups)	Interaction within a policy network (government departments and agencies, major clients and interest groups)	Political actors analyze programs for retrenchment opportunities. Little or no consultation with policy network.
Explanation for major policy change	Frictions between paradigms and institutions change the incentives and opportunities for political actors, creating the conditions for major policy change.	Changes occur because political actors' attentiveness has changed. Political actors impose major change when issues demand political attention, in order to move them off the public agenda.	Changes occur because of dissatisfaction within the policy network, which may be the result of exogenous social or economic changes.	Changes occur because political actors adopt a commitment to reduced spending and a smaller government role.

	Friction between new ideas and established policy equilibria	**Friction between elected actors and an established policy network**	**Adoption of new ideas within a closed policy network**	**State-driven retrenchment**
Role of political actors	Political actors give legitimacy to new ideas and impose them on departments and agencies.	Political actors impose policy change on a policy network.	Political actors approve and validate change after members of the policy network identify the need for change and move to a new policy consensus.	Political actors impose change and adopt strategies to reduce opposition from clients and interest groups.
Role of new entrants in the policy network	New entrants develop a competing paradigm and urge political actors to adopt it.	New entrants attract political actors' attention, often at the behest of dissatisfied members of the network.	Change happens without new actors entering the network.	New entrants encourage retrenchment as a goal, but play little role in specific policy changes.
Ability to determine the cause of a policy change	No single factor causes change. Change happens because of the way multiple variables join together in historical circumstances.	No single factor causes change. Critical interventions can be identified that elevate an issue to the level of macro-politics.	Change happens because exogenous events cause participants in the policy network to be dissatisfied with existing policies.	Change happens because political actors adopt retrenchment goals. Specific policy changes are heavily affected by the structure of programs.
Research methodology	Reconstruction of historical events, typically over a decade or more.	Reconstruction of historical events.	Reconstruction of historical events.	Reconstruction of historical events.
Proponents	Hall (1986 and 1993), Weir (1992a and 1992b), Thelen (2003)	Kingdon (1984), Baumgartner and Jones (1993, 2002a and 2002b)	Coleman, Skogstad and Atkinson (1997)	Pierson (1994)

The paradigm shift model helps us explain cases where continuity in high-visibility policy fields gives way to rapid and far-reaching changes in policy direction – or, alternatively, how a dominant paradigm can suppress change despite increasing dissatisfaction with policy outcomes. The model based on friction between political actors and an established policy network explains how new actors from outside a policy network – or, occasionally, dissident actors from within it –

may succeed in gaining the attention of political elites and seeing their positions translated into new policies. The model based on the generation of new policy ideas within a closed policy network, while more limited in its ambitions, invites us to scrutinize the interactions of government departments and interest groups as a potential source of policy change. Lastly, the retrenchment model proposes that governments decide on and implement retrenchment measures with little reference to the advice of outside actors; instead, this model encourages us to consider how the design of existing programs may facilitate retrenchment while minimizing political opposition. Table 2 presents a synthesis of the four models.

Table 2: A synthesis of four models of policy change and continuity

	Type of policy change or continuity to be explained			
	Policy change that introduces a new paradigm	**Policy continuity in an existing paradigm**	**Policy change within an existing paradigm (mid-level policy changes)**	**Program retrenchment**
Friction between new ideas and established policy equilibria and institutions (Hall, Weir, Thelen, Lieberman)	Applicable	Applicable		
Friction between macro- and micro-politics (Kingdon, Baumgartner and Jones)			Applicable	
Adoption of new ideas within a closed policy network (Atkinson, Coleman, and Skogstad)	Applicable for a specific type of policy network	Applicable for a specific type of policy network	Applicable for a specific type of policy network	
State-driven retrenchment (Pierson)				Applicable

Collectively these models are a reminder of the diverse sources of policy change, and the many types of data that may be relevant when we ask where policy change comes from. They share a perspective that the explanation for policy change does not lie in short-term events, but in

the historical interaction of institutions and ideas.

Applying the Framework

Using this theoretical framework, I show here how the policy paradigm that dominates the government-university relationship in Ontario came into being, and how ideas and institutions shaped the development of policy from 1985 to 2003 in the four main policy domains in the relationship: enrolments and funding, system planning and accountability, tuition and student aid, and university research.

Establishing the paradigm: 1950s to early 1980s

The Ontario government's policies toward universities are rooted in a paradigm – I will call it the Access and Equality Paradigm – which stipulates that governments should provide access to every qualified student who wishes to attend university, and that government policy should provide every university with the means to offer programs of reasonably equal quality. Access in this case includes measures to support low-income students and wide geographic distribution of universities across the province.

The shaping of this paradigm coincided with the building of the postwar welfare state, and the principles of universality and comprehensiveness that formed the basis of the welfare state carried over into postsecondary education. Access to a university education -- like access to old age pensions, hospital care and (later) medical care -- was to become universal, even though the meaning of universality in this context was subject to many interpretations. The ideas in this paradigm can be found in the public statements and actions of political actors in the 1950s and 1960s. The paradigm was embedded in institutions established at that time that continued to dominate the development of university policymaking during the period 1985 to 2003. Three institutions created in this period are especially noteworthy. The *statutes* creating each university proclaimed the formal equality of each – in contract to jurisdictions in the U.S. or elsewhere which created two or more tiers of universities, differentiated by their missions in research, graduate studies or other functions. The *operating grants formula* implemented in 1967 distributed grants and tuition fees to universities in a way that promoted access and promised equal funding per student in similar programs. The *policy network* established in the 1960s was

dominated by a ministry which, from its inception, lacked the capacity to challenge universities on issues related to their internal governance and administration, and by an association representing university administrations – the Council of Ontario Universities – whose capacity for policy innovation was bounded by its consensus-based decision-making rules. Between the two sat a government advisory body – known through most of its life as the Ontario Council on University Affairs – that provided external advice on planning and financial matters.

These provincial institutions functioned within a federal-provincial framework in which, after 1967, the federal government's primary role was to provide transfer payments to provinces in support of university operating grants. The federal government also funded research granting councils that provided peer-reviewed grants to university researchers, and it operated a student loan program that was broadly harmonized with a provincial system of student loans and grants.

The commitment to equality was not absolute: there were wide variations in each university's receipts from federal research grants, and the provincial government made no effort to equalize physical plant and charitable donations to universities. Yet these exceptions were small, and the principle of equal funding per student applied to almost all of university revenues.

This paradigm was significantly challenged in the 1970s and 1980s, when the robust enrolment growth of the 1960s unexpectedly came to a halt and in some years reversed course. The crisis of confidence caused by stagnant enrolments provided cover as political actors, facing the pressures of weak economic growth and expenditure competition from other programs, reduced inflation-adjusted funding per student from government grants and tuition fees by 23 per cent between 1970 and 1985.

Enrolments and funding: the politics of continuity

During the period 1985 to 2003, and especially after the recession of the early 1990s, governments reduced grants to universities and authorized significant increases in tuition and mandatory fees on students. A measure of the combined effects of these policies on universities is to calculate total operating funding per student from ministry grants, tuition and student fees, adjusted for inflation. These figures are shown in table 3, using two different measures of inflation. The first set of calculations -- using the Ontario Consumer Price Index to measure inflation -- shows that total funding per student was remarkably stable over this period, with the

exception of notable temporary dips after 1993-94 and 1996-97. Total funding per student at the end of the period was about 1 per cent lower than at the start. The second set -- using a weighted index that takes into account average public sector wage settlements and the distinctive basket on non-salary items that universities purchase -- shows a similar pattern, but with a total decline of about 3 per cent over the period. Governments' share of the total declined from 79 per cent of the total to 54 per cent during this period, with students paying the balance. These data are *prima facie* evidence of continuity in universities' financial ability to provide education to students, as governments used higher tuition fees to substitute for reduced operating grants.[8] The claim of continuity is distinct from any claim of adequacy or competitiveness with other jurisdictions.

This continuity occurred even though many conditions for significant change were present. Governments and universities both had reason to be dissatisfied with the established paradigm, and both made efforts to revise it. Facing high deficits, the New Democratic and Progressive Conservative governments both attempted to revise the institutions supporting the paradigm so that the government would have a more active role in determining how universities spent their money. University administrations attempted to revise the paradigm to incorporate a standard of educational quality, measured in terms of the resources provided to universities in competing jurisdictions, as a way of justifying higher per-student funding.

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[8]The principal technical issue surrounding these data is whether cost inflation in universities is inherently higher than in the general economy. Claims to this effect can be made based on faculty demographics, the difficulty of controlling unit costs of production in a service industry with limited access to technology gains, and a possible secular upward shift in the wages of knowledge workers due to private sector competition. Each of these arguments warrants further analysis. During the period 1985 to 2003, universities in Ontario did not succeed in advancing these arguments in a way that had a political effect on governments or public opinion.

Table 3: Some measures of total university operating funding, 1985-86 to 2003-04

	Total operating funding per FTE student, in constant dollars				Share of total funding derived from provincial operating grants (per cent)
	adjusted for inflation using Ontario CPI		adjusted for inflation using average Ontario public sector wage settlements and Ontario university non-salary price index		
	index (2003-04 = 100.0)	change during the government's term (per cent)	index (2003-04 = 100.0)	change during the government's term (per cent)	
1985-86	100.9	-0.6	103.2	0.3	79
1986-87	100.8		103.2		79.2
1987-88	101.4		104.3		79.9
1988-89	100.2		103.4		79.3
1989-90	99.6		103.3		78.9
1990-91	100.4		103.4		78.2
1991-92	99.5	-0.1	103.2	-2.3	77.3
1992-93	101.9		103.4		75.8
1993-04	97.9		100.2		72.9
1994-95	100.2		100.3		71.1
1995-96	100.3		101.1		69
1996-97	94	-0.3	96.3	-1.1	62.8
1997-98	94.8		97.8		61.3
1998-99	99.3		101.6		59.3
1999-2000	101.2		103.1		56.9
2000-01	101.6		102.7		56.6
2001-02	98.4		99.6		54.4
2002-03	99.3		99.8		53.3
2003-04	100		100		53.8

SOURCE: See Appendix.

Governments and universities found that their options were highly restricted by the Access and Equality Paradigm. The ideological basis of the paradigm continued to resonate strongly with the public, despite changing fiscal circumstances, as public opinion polls showed high support for accessibility and for a single-tier system where every university was able to provide approximately the same quality of education. This ideology was reinforced by institutions that ensured that any government wishing to back away from the paradigm would pay a high political price. The possibility that students would be turned away from university during periods of increased student demand in the late 1980s and in preparation for the double cohort in the late 1990s galvanized governments to action, and the resulting negotiations gave the universities their major source of leverage over the government. It was during these periods that the universities and the government worked together most closely. The provision of capital funding for the double cohort – initially concentrated at a few universities, then expanded to embrace all – confirmed the priority of wide geographic access.

Likewise, no government was prepared to try to change the operating grants formula or the university statutes in order to create a university system where some universities were funded at lower rates than others or had narrower mandates than others. The capacity of the university administrations to develop new paradigms was constrained by their consensus-based decision-making process. Any new COU policy proposal that threatened the formal equality of each university had the potential to fracture COU and to leave the individual universities to fend for themselves against government. COU's efforts to sway public opinion through media campaigns in the late 1980s and the creation of advocacy groups in the early 1990s failed, in part due to poor execution and the pressure to achieve short-term results.

Hemmed in by the established paradigm, and without the institutional capacity to sway public opinion, governments and universities battled to a standstill on funding issues during this period. To maintain funding while reducing spending, governments turned to the device of raising tuition fees. The paradigm provided no explicit guidance on acceptable fee levels, and in fact the share of costs funded by students had fluctuated widely in the 1950s and 1960s when the paradigm was established. Thus tuition policy provided governments with more opportunities for change at an acceptable political cost.

System planning, degree-granting and accountability: continuity challenged

In addition to regulating operating funding to universities, governments are responsible for striking a balance between government regulation, on the one hand, and the autonomy of each university to manage its internal affairs and chart its own course for the future, on the other. A review of publicly-available records allows us to identify 24 discrete episodes in which governments attempted to achieve one of several related outcomes: reducing per-student costs through stronger and more centralized system planning, providing better value by encouraging competition and responsiveness to student demands, or improving universities' effectiveness by introducing stronger and more transparent governance processes. These episodes are summarized in Table 4. Governments achieved their stated objectives in only 11 of the 24 episodes; in the others, the objectives were diluted or abandoned.

All three governments attempted to introduce a stronger element of system planning, but their efforts largely came to naught. The Liberal government made efforts in 1985 to promote specialization among universities, but these encountered difficulty and were rescued only when they were incorporated into a much larger project to expand the university system; the New Democratic government made two significant efforts to work within the policy network to reduce government costs by reshaping the university system, but failed to win support from the universities for this effort; and the Progressive Conservative government made intermittent efforts to define a new shape for the university system, but abandoned them at an early stage. The largest exception under the Progressive Conservative government – their funding of the expansion of university programs in engineering and computer science for economic reasons – came about because a private-sector interest group succeeded in elevating this issue on the government agenda and because the government was prepared to provide funding to attract support from the universities.

The introduction of legislation in 2000 to authorize private universities (and public colleges) to grant degrees can best be understood by examining pressures for policy change arising from political actors outside the normal policy network -- specifically, not-for-profit religious-based institutions. Both the Liberal and New Democratic governments faced these pressures and responded by commissioning prolonged studies. The Progressive Conservative

government was more willing to address the issue head-on – partly because of ideological predisposition, but also because it wished to satisfy advocates for change. Once it was clear that the direction of policy was likely to change, the established universities played a leading role in shaping the details.

At the urging of the Provincial Auditor, all three governments expressed interest in making universities more accountable for the expenditure of public funds. Yet the actual policy changes in this area were negligible, with the largest change being the Progressive Conservative government's inclusion of universities in a statute requiring the disclosure of public sector salaries over $100,000. Government efforts to strengthen internal governance processes at universities were abandoned or were delegated to the universities themselves for action. Governments failed to follow through on their stated intentions, and they neglected the external advice that they commissioned.

These events demonstrate the continued dominance of the Access and Equality Paradigm. Efforts by governments to redefine system planning and accountability were episodic and did not evince a clear strategy. In some cases, governments appear to have been surprised by the strength of the dominant paradigm and to have underestimated the resources they would require to revise it. With a few significant exceptions, the strategies that governments adopted were unsuccessful. Governments failed to bring forward a revised paradigm from outside the policy network that might command public support for greater accountability. Their efforts to work within the policy network to develop a new paradigm were stymied by a combination of poor tactical decisions and university strategies to delay government actions or redirect them toward university priorities.

The exceptions that led to the largest changes – specifically, the decisions of the Progressive Conservative government to expand selected university programs and to permit the establishment of private universities – were generated from outside the policy network: actors from outside the policy network succeeded in elevating selected issues on the policy agenda and forcing governments to find new policy equilibria on these issues.

Table 4: Government actions on system planning, degree-granting and accountability, by government objective and source of change

GOVERN-MENT OBJECTIVE	SOURCE OF CHANGE		
	Government-initiated	**Initiated outside the policy network**	**Negotiated within the policy network**
Reduce costs through system planning	Greater efficiency and specialization (L) OISE merger with UofT (L) **OISE merger with UofT (NDP/PC)**		Program Adjustment Envelope (L) Restructuring transition funding (NDP) Steering Committee on University Restructuring (NDP) Resource Allocation Review (NDP) (Smith) Advisory Panel on Future Directions for Postsecondary Education (PC) Task Force on Investing in Students (PC)
Respon-siveness and choice	**Expansion of spaces in health professions and education (L)** **Expansion of spaces in health professions and education (PC)**	**Expansion of spaces in science and engineering (L)** **Expansion of spaces in engineering and computer science (PC)** **Publication of Key Performance Indicators (PC)** **Expansion of degree-granting rights (PC)**	Funding tied to Key Performance Indicators (PC)
Strong and transparent governance processes	**Public sector salary disclosure (PC)** **Abolition of OCUA, transfer of responsibilities to ministry (PC)** Changes to university board composition (NDP) Education Quality and Accountability Office application to universities (NDP) Public Sector Accountability Act (PC)	(Broadhurst) Task Force on University Accountability (NDP)	
Formal equality of each university		**Change to status of Ryerson University (L/NDP/PC)** **Change to status of Nipissing University (NDP/PC)**	

Episodes where the government achieved its stated objectives for change are shown in **boldface**. Episodes where the government's objectives were heavily compromised or the initiative was abandoned are shown in regular type.

Tuition and student aid: the politics of retrenchment

During the1990s, governments succeeded in changing the Access and Equality Paradigm as it related to student aid and tuition. The promise of access to all students regardless of financial need was increasingly called into question. By 2003, tuition and related fees accounted for nearly half the cost of an average student's education, tuition had become differentiated by program, the responsibility for providing student aid had been fragmented among the two levels of government and the universities, the majority of students requiring aid received repayable loans without grants, and the maximum financial assistance available from the two levels of government was several thousand dollars less than the actual cost of attending university away from home. For the first time since the paradigm was formed in the 1960s, low-income students were unable to rely on government grants and loans to provide the full up-front costs of attending postsecondary education – causing many to turn to part-time employment, university financial aid offices, or private loans to fill the gap.

These changes can be explained as a series of incremental adjustments in existing policy instruments, all justified within the dominant paradigm, but having the effect over time of provoking debate over whether the paradigm was being subverted. Caught in a squeeze between central agencies seeking to reduce expenditures and university administrations seeking to maintain and increase total funding per student, political actors agreed each year to permit higher tuition fees. These incremental decisions were supplemented by a decision to transfer to university boards the power to set fees in certain programs. Aided by university administrations, political actors defended their decisions as being consistent with the Access and Equality Paradigm, arguing that, while students were paying more, participation rates in postsecondary education continued to increase. The growth in regulated fees during this period is shown in Table 5. University participation rates – defined as the number of full-time students divided by the population age 18-24 – are shown in table 6.

Table 5: University tuition fees in arts and science, and tuition revenues as a share of total university operating revenues, 1985-86 to 2003-04

	tuition fees in current dollars		tuition fees in constant (2003) dollars			tuition and miscellaneous fee revenues as a share of total university operating revenues	
	fee	annual change (per cent)	fee	index (2003 = 100.0)	change during the government's term (per cent)	share (per cent)	change during the government's term (percentage points)
1985-86	1,216	n.a.	2,021	48.3	5.7	21.0%	0.8
1986-87	1,264	3.9%	2,011	48.1		20.8%	
1987-88	1,350	6.8%	2,045	48.9		20.1%	
1988-89	1,411	4.5%	2,040	48.7		20.7%	
1989-90	1,518	7.6%	2,075	49.6		21.1%	
1990-91	1,639	8.0%	2,136	51.1		21.8%	
1991-92	1,770	8.0%	2,204	52.7	35.6	22.7%	9.2
1992-93	1,894	7.0%	2,335	55.8		24.2%	
1993-94	2,026	7.0%	2,454	58.6		27.1%	
1994-95	2,228	10.0%	2,699	64.5		28.9%	
1995-96	2,451	10.0%	2,897	69.3		31.0%	
1996-97	2,935	19.7%	3,417	81.7	44.4	37.2%	15.2
1997-98	3,228	10.0%	3,689	88.2		38.7%	
1998-99	3,551	10.0%	4,021	96.1		40.7%	
1999-00	3,874	9.1%	4,303	102.9		43.1%	
2000-01	3,951	2.0%	4,266	102		43.4%	
2001-02	4,028	2.0%	4,220	100.9		45.6%	
2002-03	4,106	1.9%	4,215	100.7		46.7%	
2003-04	4,184	1.9%	4,184	100		46.2%	

SOURCE: 1985-1987: COU (1998), table 20; 1988-2003: COU (2004), table 5.1. Tuition revenue as share of total revenues includes all students, whether or not they are eligible to be counted for purposes of ministry grants.

Table 6: University participation rates, 1985-86 to 2003-04

	enrolment (full-time headcount) as a share of the population age 18-24 (per cent)	change during the government's term (percentage points)
1985-86	15.3%	3.9
1986-87	15.6%	
1987-88	16.5%	
1988-89	17.5%	
1989-90	18.1%	
1990-91	19.2%	
1991-92	20.5%	2.6
1992-93	21.2%	
1993-04	21.3%	
1994-95	21.8%	
1995-96	21.8%	
1996-97	22.0%	5.1%*
1997-98	22.0%	
1998-99	22.1%	
1999-00	22.5%	
2000-01	22.5%	
2001-02	22.9%	
2002-03	24.2%*	
2003-04	26.9%*	

*Data for 2002-03 and 2003-04 include double cohort students.
SOURCE: Council of Ontario Universities (1996 and 2005a)

Meanwhile, governments took steps beginning in 1993 to protect themselves from the rising costs of student assistance through a series of measures to limit program eligibility and raise the proportion of assistance provided as loans rather than grants. The number of students receiving government student support began to fall after 1996-97, but costs continued to rise rapidly through 1999-2000. The rapid rise in costs -- driven in part by tardiness in changing loan

collection procedures to keep up with rising student debt loads after 1993 -- led to a large number of new measures beginning in 1996 to restrict eligibility and improve loan collections. Unlike any of the other policy changes during the period of this study, the changes to student aid in the 1990s were not proposed or supported by any external group and can only be explained by looking at the unique set of incentives and opportunities that governments experience during periods of retrenchment. By 2003, the cumulative effects of these measures raised important questions about whether governments had – deliberately or otherwise – significantly revised the promise of financial accessibility that is a key element of the Access and Equality Paradigm. The changes in government expenditure, the number of students assisted, and average student debt are shown in table 7.

These developments support Pierson's argument that the politics of retrenchment in the welfare state is different from the politics of expansion. The evidence confirms his finding that the social forces that were important in creating the welfare state are typically less relevant in periods of retrenchment, in which welfare state programs are defended by those who benefit from programs or who provide them and believe in them. It also confirms his finding that government strategies are strongly affected by whatever opportunities are created by the design of existing programs.

The evidence also suggests that Pierson's account gives inadequate attention to the time constraints faced by governments which wish to replace legacy programs with new programs. Some of Pierson's descriptions of retrenchment ascribe motives to government that are difficult or impossible to prove. The evidence from this cases does not support Pierson's argument that "policy learning" – the accumulation of knowledge and experience over time that allows officials to adapt programs to meet objectives – is relatively unimportant in periods of retrenchment, suggesting instead that, where retrenchment involves complex and interlocking programs, policy learning is essential to ensure that retrenchment measures with unintended consequences are corrected so that government objectives are achieved.

Table 7: Indicators of Ontario government student aid expenditure, 1985-86 to 2003-04

	provincial expenditure ($ million)	number of students assisted	Average repayable CSL/OSL debt for a graduate from a four-year university program who has received OSAP assistance
1985-86	143.9	109,652	n.a.
1986-87	162.1	108,163	n.a.
1987-88	183.4	104,787	n.a.
1988-89	187.1	99,824	n.a.
1989-90	190.7	100,384	n.a.
1990-91	205.2	113,213	n.a.
1991-92	271.8	142,260	n.a.
1992-93	328.6	160,768	n.a.
1993-94	103.0	180,171	$11,411
1994-95	140.8	202,460	n.a.
1995-96	231.7	212,189	n.a.
1996-97	328.8	213,524	$17,181
1997-98	525.2	201,014	$19,166
1998-99	631.0	190,802	$20,496
1999-00	762.8	170,312	$21,268
2000-01	572.9	158,996	$21,927
2001-02	367.6	146,330	$21,490
2002-03	339.9	150,837	$21,506
2003-04	313.1	165,381	$20,875

SOURCE: Provincial expenditure: Ontario Public Accounts. Excludes OSOTF and transfer from Canada Millennium Scholarship Foundation. Includes minor scholarship programs.
Number of students and average repayable debt: MTCU, Junor and Usher (2004), and Ontario Postsecondary Review (2004).

University research: the politics of renewal

The evolution of university research policy during the period 1985 to 2003 appears on the face of it to conform very closely to Hall's model of a paradigm shift. There was broad

dissatisfaction with established strategies for economic development; policy innovators outside of government argued for a new approach to economic development that included a large role for university research; government experimented with the new approach while attempting to fix the old; and over time political actors declared the new paradigm to be authoritative and, based on it, introduced new university research programs valued in the hundreds of millions of dollars. The distribution of funding from new federal and provincial research programs is vastly different from that in the Access and Equality Paradigm, with some universities receiving nearly twice as much funding as they would have received under the normal operating grants formula, and others receiving less than half as much. Table 8 shows the distribution of funding from the two largest provincial programs.

Yet the stated purpose of this new research paradigm was not to replace the Access and Equality Paradigm; indeed, many of its proponents were simply unaware of the Access and Equality Paradigm, and so they layered the Research Excellence Paradigm over top of it. The two coexisted uneasily, and the conflicts between them were sometimes mediated by government and sometimes simply denied for lack of evidence. There was no reason to expect the new paradigm to replace the old; instead, its presence reshaped how government looked at universities and opened new debates about university policy issues that had remained settled since the 1960s.

Table 8: Distribution of provincial research funding to Ontario universities

university	share of BIUs (2002-03)(1)	Ontario Innovation Trust (cumulative, to March 2003)		Ontario R&D Challenge Fund (cumulative, to February 2005)	
		share	ratio(2)	share	ratio(2)
Brock	2.91%	0.24%	*0.08*	0.00%	*0.00*
Carleton	5.27%	5.74%	1.09	1.27%	*0.24*
Guelph	5.48%	8.07%	**1.47**	4.74%	0.87
Lakehead	1.77%	0.37%	*0.21*	0.00%	*0.00*
Laurentian	1.70%	0.53%	*0.31*	1.42%	0.83
McMaster	6.36%	10.01%	**1.58**	14.56%	**2.29**
Nipissing	0.78%	0.00%	*0.00*	0.00%	*0.00*
Ottawa	7.89%	11.90%	**1.51**	13.05%	**1.65**
Queen's	6.13%	10.33%	**1.69**	8.05%	**1.31**
Ryerson	6.06%	0.57%	*0.09*	0.28%	*0.05*
Toronto	19.60%	27.80%	**1.42**	36.64%	**1.87**
Trent	1.49%	0.52%	*0.35*	0.05%	*0.04*
UOIT	0.00%	0.00%	-	0.00%	-
Waterloo	7.37%	7.70%	1.04	9.03%	**1.22**
Western	9.31%	12.13%	**1.30**	10.01%	1.08
Wilfrid Laurier	2.83%	1.18%	*0.42*	0.00%	*0.00*
Windsor	3.76%	1.13%	*0.30*	0.46%	*0.12*
York	10.68%	1.79%	*0.17*	0.45%	*0.04*
TOTAL	100.0%	100.0%		100.00%	
amount		$514.7 million		$475.9 million	

(1) "BIU" is Basic Income Units – i.e, the number of students, weighted by program, who are eligible to be counted under the MTCU operating grant formula. OCAD is not shown.
(2) "Ratio" is the ratio of a university's share of research funding to its BIU share. For convenience, ratios of 1.20 or greater are shown in **bold**; ratios under 0.80 are shown in *italics*.
SOURCE: See Appendix.

The processes by which the new paradigm was introduced were also distinctive. The challenge faced by the provincial government was to introduce a paradigm that supported excellent research performance into a policy network that was founded on the formal equality of each university. The Liberal provincial government made tentative approaches to resolving this conundrum in the 1980s that centred on taking university research policy out of the hands of the established ministry-COU policy network and assigning it to other agencies for policy development and implementation. In the mid-1990s, in the name of greater economic competitiveness, the federal government – under pressure from a small group of universities who were prepared to put their consensus-based association at risk in order to achieve higher research funding – established new funding for universities with resource-intensive research programs, contingent on those universities finding matching funds from their provincial governments or other sources.

Operating outside Ontario's established paradigm, the federal government was able to achieve what provincial governments had attempted in several ways without success: to recognize that universities were unequal in their capacities to undertake research and to fund universities in proportion to these inequalities. The federal requirement that universities find matching funds – which, given the large sums involved, they realistically could only obtain from the provincial government – created the conditions in which Ontario could break with the dominant paradigm and follow Ottawa's lead. In doing so, the federal government in effect imposed a new paradigm that was layered on top of the established Access and Equality Paradigm and that found its own institutional home in the provincial ministry responsible for economic development and in arms-length provincial agencies.

I label these events "the politics of renewal" because they demonstrate how, after years of flat or reduced operating budgets, universities were able to gain access to substantial new resources to advance their research ambitions. The politics of renewal is different from the politics that established the welfare state. Even in a period when budgets are balanced, growth in public sector demands exceeds growth in revenues, and so governments are required to be selective about which areas of the public sector to renew. In this environment, governments are reluctant to create new institutions with long-term funding requirements or to re-establish a sense of

entitlement on the part of publicly-supported institutions. Time-limited programs, one-time infusions of funding, and notions of performance and accountability become more prominent. This environment creates new opportunities for institutions that are able to align themselves with it, but it also suggests that the ideational and institutional bases for the Research Excellence Paradigm may continue to be relatively fragile.

CONCLUSION: EXPLAINING CONTINUITY AND CHANGE IN UNIVERSITY POLICY

Looking at the evolution of government policy towards universities over time has helped us to see the force of the dominant paradigm in moving certain issues to the top of the public agenda, shaping their resolution, and marginalizing other issues that were not easily reconciled with the principles of access and equality. The model of paradigm shifts provides the most compelling explanation for many of the outcomes we have observed, demonstrating how outcomes in the period 1985 to 2003 were shaped by the legacies of the 1950s and 1960s. Yet this history also shows the multiplicity of strategies that could be effective in changing policy. New policy direction were introduced by "layering" one paradigm on top of another, drawing attention to the opportunities available to interest groups in a federal state where one level of government supports a paradigm and the other is indifferent to it. Political actors had some freedom to decide which interest groups to listen to, and they tested the limits of what could be done without threatening the dominant paradigm. Within the closed COU-ministry policy network evolved, we saw examples of creative policy development in the 1960s, but we also saw how this network gradually lost its policy development capacity and its near-monopoly in the management of government-university relations. Finally, we observed the distinctive strategies that governments use in reducing expenditures, and the near-irrelevance of external actors as governments prepare and implement these strategies during periods of retrenchment.

Friction between established policy equilibria and new ideas

Situating a study of policy continuity and change within the established paradigm – if any – that dominates a policy field presents two theoretical issues: to explain how the paradigm came into being, and to explain why it has withstood challenges from competing ideas in subsequent

years . Identifying the paradigm requires looking for the overarching ideas or principles that appeared to frame policy debates, and then tracing them back to an earlier period when they first began to dominate policy decision-making. Two ideas – access and equality – became dominant in the 1950s and 1960s, as universities moved from being elite institutions at the periphery of public life to being central institutions for the creation of economic opportunity and social mobility in the postwar welfare state. These ideas continued to find support in public opinion during the period 1985 to 2003, and they were embedded in institutions created in the 1950s and 1960s – notably the university statutes, the principal participants in the policy network, the university operating grants formula, and the federal and provincial student assistance programs – in ways that carried the ideas forward and set boundaries on the range of new policy options that could be considered in subsequent years.

The predictive value of this model comes when we ask, what would need to change in order for universities in Ontario to be significantly different from what they are? The answer is that either the ideas or the institutions that underlie the dominant paradigm would need to change, either by revising them or by adding to them. The idea that university research can generate growth in a knowledge-based economy was layered over the dominant paradigm starting in the mid-1980s – articulating a new idea without directly challenging the dominant paradigm, which was essentially silent about research. The university presidents attempted to add ideas about educational quality to the paradigm – unsuccessfully during the period to 2003 – as a way of supporting their argument for greater public funding. The commitment of political actors and the public to access would have been diminished if access to university education had been shown to be no longer closely associated with access to better career and personal opportunities. Their commitment to the formal equality of every university might have been diminished if it could have been shown that a more differentiated university system could be more responsive to individual and community needs. The dominant ideas in the sector structured the opportunities that actors have to pursue their political objectives.

Opportunities are also structured by institutions. Government initiatives to save money in ways that did not respect the “rules of the game” embedded in the operating grants formula – for example, by establishing a working group on restructuring, or by proposing a formula based on

bilateral negotiations with each university, or by establishing special-purpose task forces to investigate whether universities were spending their money efficiently – met with staunch opposition from universities, while government decisions simply to reduce operating grants within the existing formula met with resigned acceptance (coupled with strategies by universities to raise tuition fees). The statutes creating the universities were effectively impossible to amend without the universities' consent, but governments could make occasional intrusions on university governance through legislation that was generally applicable across the public sector, such as the Social Contract legislation or the legislation to require salary disclosure. Policies to expand the university system to accommodate growing enrolments were successfully managed within the ministry-COU policy network, but policy objectives that did not readily fit with the ministry's policy strengths or with COU's consensus-based decision-making were either addressed through the creation of new institutions (as in the case of university research) or were not addressed at all (as in the case of educational quality).

Layering of paradigms

The paradigm shift model appears to present a binary choice – shift or no shift – when in fact policy outcomes may fall in-between. A new paradigm can be introduced without explicitly challenging the old one – leaving any contradictions or frictions to be identified and mediated over time. A separate paradigm based on university research was in effect layered on top of the Access and Equality Paradigm, with no explicit attempt to identify the relationship between the two. The politicians who adopted the Research Excellence Paradigm showed no special awareness of the Access and Equality Paradigm. Their intent was not to fix a broken educational paradigm, but to involve universities in fixing a broken paradigm for economic development.

While the Research Excellence Paradigm attracted much attention beginning in 1997, we saw that its roots can be traced to the mid-1980s, when the Ontario government began to adopt a model of economic development based on the creation and commercial transfer of knowledge. Initially this new idea had no institutional base, and only a slim political base: it was promoted by a small group of policy advocates, supported by a slightly larger group of policy advisors that included university administrators and executives from technology-based companies. Bypassing the established COU-ministry policy network, the Ontario government in the late 1980s

established a separate advisory board that mixed selected university administrators with a broader group of business executives and government representatives, and it assigned responsibility for the Centres of Excellence to the ministry responsible for economic development.

The economic crisis of the early 1990s gave greater prominence and legitimacy to knowledge-based strategies for economic development, and a small group of university administrators took the lead in persuading the federal government to transform these ideas into specific programs with significant financial resources. The federal government used cost-sharing strategies to encourage provinces to pay part of the costs of some of these programs, and some provinces (including Ontario) voluntarily added new and complementary programs of their own. In the late 1990s the federal government established new research funding bodies and also enhanced the roles of the existing ones, and Ontario established two quasi-independent boards to distribute its research funds. Thus the research-related paradigm had a foundation of ideas and of institutions that was distinct from that of the Access and Equality Paradigm.

Opportunities for policy change within the paradigm

Even within an established paradigm, new government actors make choices about which voices from outside the established policy network are deemed authoritative, and they make choices about new policy instruments. The federal-provincial system created more opportunities for interest groups to achieve their objectives than would be present in a unitary state.

The effect of new actors: changes in the governing party

Where a dominant paradigm is in place with long historical roots, we should expect to see little effect on policy outcomes from partisan changes in government. Partisan differences among the three governments elected between 1985 and 2003 had little effect on most major policy outputs.

A key area of difference among the three parties was their choices about which voices outside the normal policy network should be deemed authoritative and worth listening to. In the case of degree-granting, all three governments were approached by a religious-based institution that wished to offer secular university degrees. Both the Liberal and New Democratic governments sidestepped these approaches, while the Progressive Conservative government – in part due to an ideological predisposition to welcome competition that might improve the

performance of publicly-funded bodies – chose to listen to this institution, and then to use this case as a precedent for addressing approaches from the business community and the colleges who wished to see an expansion in the number of degree-granting institutions. In the case of expanding the university system to address labour market bottlenecks, the Liberal government identified and addressed a variety of shortages in public-sector and private-sector professions, while the Progressive Conservative government initially chose to listen to representations from executives in the information technology sector and only later turned its attention to shortages in public-sector professions. While the number of observations is limited (we do not know, for example, how the other parties would have responded if they had been in office during the information technology boom of the late 1990s), this evidence suggests that, within the dominant paradigm, governments of different stripes could make different choices about which voices to listen to, and these choices could lead to non-trivial differences in policy outcomes.

The effect of multiple entry points: federal-provincial competition and entanglement

The federal system in Canada afforded interest groups multiple options for attracting the attention of political actors and advancing their self-interest. Universities seeking funding for their research programs promoted intergovernmental competition in order to achieve immediate gains outside the normal Access and Equality Paradigm – a paradigm established by the provincial government and to which the federal government had little ongoing commitment. From 1967 to 1985, the two levels of government tacitly agreed that the provincial government would fund university teaching and research jointly, with no explicit research policy, while the federal government would provide peer-reviewed grants for university research and would fund other transfers for university operating costs through the provincial government. The first glimpse of a provincial policy on university research came in the last year of the Davis/Miller Progressive Conservative government and was developed more fully by the Liberal government – partly at the urging of the universities, but with programs designed by policy advocates largely from outside the university system. Many of these same advocates encouraged the federal government to create a nearly identical program, so that by the end of the decade both levels of government were funding competing research programs. A competitive pattern can again be seen in 1997, as university representatives urged the federal government to establish a program for research

infrastructure that included a matching element, and then encouraged the province to set up a complementary program to provide matching funds.

The existence of multiple access points created opportunities for changes that would almost certainly have been foreclosed or heavily compromised if pursued solely at the provincial level through the COU-ministry policy network. At the same time, multiple access points lent themselves to ad hoc policy development, so that, by 2003, the stability of the new research-related paradigm at both the federal and provincial levels was not yet clear.

Adoption of new ideas within a closed policy network

The closed ministry-COU policy network consistently tended to support the established paradigm rather than revising it to address dissatisfaction or meet new needs. By the end of the Harris/Eves years universities were effecting policy changes by by-passing the network, as fractions of the university community turned to the federal government for new research programs or to central agencies of the provincial government for the redress of historical inequities. Increasingly the policy network established in the 1960s was irrelevant to important areas of university policy.

This evolution raises the question of why the policy network did not prove more adaptive. On the government side, the ministry from its inception had no legislative authority over the universities and instead carried out its objectives through the device of granting or (on rare occasions) withholding public funds. It collected certain types of information itself, but otherwise was reliant on COU or simply had no information at all. While deficiencies in the ministry's initial knowledge base could presumably have been remedied over the decades, the incentives to do so were weak in the absence of consistent government objectives beyond those established in the Access and Equality Paradigm. The lack of a clear division of responsibilities between the ministry and OCUA meant that there was duplication of expertise in some policy areas while others remained unexplored.

On the universities' side, the apparent ability of COU to resolve internal differences and to adopt a common agenda diminished during the period of this study. Internal differences existed, of course, from the time of the organization's founding in 1962, and they became more stark in the 1970s when it became apparent that government funding would never fully accommodate the

ambitions of some of the newer universities to offer a full range of programs at all levels of study and the ambitions of some of the older universities to become leaders in high-cost fields of research. The Liberal and New Democratic governments provided no relief from these financial constraints, but their agendas for universities did not serve to divide the group (and in fact sometimes united them in opposition to the government). This was less true of the Progressive Conservative government, whose experimentation with new policy tools and expanded use of old ones – notably in research policy, but also in making universities more reliant on tuition for their revenues, promoting fund-raising, and allowing universities to set tuition in certain professional programs based on what the market would bear – had the effect of strengthening the universities that were best able to attract funding from these particular instruments. The rules for these programs observed the formal equality of all universities, but the appearance of winners and losers, and the suspicion among COU members that some universities were conducting government advocacy independently of COU, made it increasingly difficult for COU to represent the interests of all universities.

Thus the COU-ministry policy network lacked key elements that might have allowed more creative or constructive policy development. The ministry lacked the authority – either statutory or knowledge-based – to contemplate new directions other than those that would benefit all universities approximately equally. COU lacked the cohesion to resolve some key internal differences or to achieve compromises other than those that would benefit all universities approximately equally.

State-imposed retrenchment

The nature of retrenchment in tuition and student assistance was shaped by the different kinds of political opportunities that were presented by established policies. Tuition's share of total university operating funding was never fixed in the Access and Equality Paradigm and in fact had varied widely in the 1950s and 1960s, so there was an opportunity for governments in the 1990s to argue that they were restoring tuition's share to earlier levels. By defining accessibility in terms of a single number – the participation rate of 18- to 24-years-olds in university education – governments had a simple way to demonstrate that higher tuition was not threatening

accessibility.[9] As long as the participation rate was increasing, governments had latitude to revise student assistance policies to achieve retrenchment goals.

The complexity of the legacy program meant that there was much confusion about the nature of the changes being made. This confusion was compounded by strategies that had the effect of delaying the impacts on students, incrementally reducing the real value of student aid each year, and moving some of the responsibility for tuition-setting and student aid to universities. Federal and provincial roles, which were largely complementary until 1993, became more confused as programs proliferated and regulations were deharmonized, introducing opportunities for blame-shifting. Eventually anxieties among students, parents, and parents of prospective students forced both levels of government to give back some of their gains in the form of new bursary programs and tax credits that were available to all income groups. By 2003, OSAP's maximum support was several thousand dollars short of the full cost of attending university for the average student living away from home – breaking the promise of access for all qualified students, and leaving universities with the responsibility of providing the difference if they could afford to do so. The inherent difficulties in predicting how changes in incentives in complex social programs will affect behaviour provided fertile ground for both supporters and opponents of retrenchment to use information strategies to win public support for their side.

EPILOGUE: NEW DIRECTIONS SINCE 2003

Premier Bob Rae's recent advice to the Liberal government on postsecondary education affirmed and expanded the principle of access to university education, and it did not challenge the formal equality of each university.[10] Yet Mr. Rae's report was much more than a recommitment to the status quo. He addressed directly the problem of improving quality in higher education. As

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[9]Margaret Weir (1992b, 4) observed a similar strategy in employment policy in the United States: by reducing the unemployment problem to a single number – the unemployment rate – the government downplayed the case for an active employment policy to assist the long-term unemployed.

[10]Rae (2005). For a fuller assessment of the Rae Review process, see Clark and Trick (2006).

we have seen, concern for quality has been nearly invisible in the Ontario government's postsecondary education policies. Debates between governments and postsecondary institutions have often presented quality as an alternative to access: for a fixed quantum of money, one can have more quality and less access, or vice versa. Mr. Rae argued that access and quality are not alternatives: "A key premise of this report is that raising quality and increasing accessibility go hand in hand."[11] From the report's perspective, access was not mere attendance; access was benefiting from postsecondary education by being fully engaged in one's learning and continuing on to graduation. Engagement – in the form of class sizes that encourage discussion and involvement, student interaction with faculty, challenging assignments and the like – was the key to making access a reality for large numbers of students.

By linking a sorely needed principle – educational quality – to the well-established principle of access, Mr. Rae laid the foundation for governments and postsecondary institutions to work together in measuring and improving quality. The Liberal government's response to Mr. Rae's report – with commitments to increase funding from grants and fees, increase overall enrolments, strengthen the adequacy of OSAP, provide higher grants to debt-averse low-income students, funding new initiatives to encourage participation by disadvantaged students, and establish a council to measure and advise on quality improvement – presents an opportunity to re-shape the paradigm by expanding the concept of access to include a commitment to educational quality.

[11]Rae (2005), 88.

APPENDIX: DATA SOURCES

Sources for Table 3:

Operating grants: 1987-88 to 2003-04: COU (2004), table 1.1; 1985-86 and 1986-87: COU (1998), table 1. Includes MTCU grants only.

Tuition fees: 1987-88 to 2003-04: COU (2004), table 1.1; 1985-86 and 1986-87: COU (1998), table 1. Includes eligible and ineligible students (for ministry funding). Data for 1998-99 and subsequent years include non-credit tuition.

Miscellaneous fees: 1993-94 to 2003-04: calculated from COU (2005), table E-3; 1985-86 to 1992-93: COU (1996), table 2.1.2.

Mandatory set-aside: COU (2004), table 1.

Enrolments: 1987-88 to 2003-04: COU (2004), table 1.2; 1985-86 and 1986-87: COU (1998), table 1. Includes full-time and part-time, eligible and ineligible students (for ministry funding). There is a series break between 1986-87 and 1987-88 equal to approximately 2,000 students.

CPI inflation: 1991 to 2003: Ontario Ministry of Finance (2005), annex VI, table 4; 1985 to 1990: Ontario Ministry of Finance (1994), table 8.

Public sector wage settlements: 1991 to 2003: Ontario Ministry of Finance (2005), annex VI, table 27; 1985 to 1990: Ontario Ministry of Finance (1995) table 36.

Ontario Universities Non-Salary Price Index: 1985 to 2000: COU (2004), appendix D. 2001 to 2003 estimated using Ontario CPI.

Sources for Table 8:

BIUs: COU (2004), 9.

OIT: http://www.oit.on.ca/Pages/Projects.html, accessed January 10, 2005. Excludes awards to teaching hospitals and other institutions.

ORDCF: Personal communication, ORDCF Secretariat, February 15, 2005. Excludes awards to teaching hospitals and other institutions.

Calculations by the author.

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