

SUBMISSION TO THE HOUSE OF COMMONS STANDING COMMITTEE ON FINANCE

2014 | National Graduate Caucus



CANADIAN
FEDERATION
OF STUDENTS

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NATIONAL GRADUATE CAUCUS

The National Graduate Caucus of the Canadian Federation of Students unites more than 75,000 graduate students from over 25 students' unions across Canada. The primary objective of the National Graduate Caucus is to promote the interests of graduate students nationally while working within the larger student movement to improve access to high-quality public post-secondary education.

British Columbia

University of British Columbia Students' Union Okanagan

Vancouver Island University Students' Union

Prairies

Brandon University Students' Union

Graduate Students' Association of the University of Calgary

University of Manitoba Graduate Students' Association

University of Regina Students' Union

University of Saskatchewan Graduate Students' Association

University of Winnipeg Students' Association

Ontario

Brock University Graduate Students' Association

Carleton University Graduate Students' Association

University of Guelph Graduate Students' Association

Lakehead University Student Union

Laurentian University Graduate Students' Association

McMaster University Graduate Students' Association

Graduate Students' Association des étudiant(e)s diplômé(e)s de l'Université d'Ottawa

Queen's University Society of Graduate and Professional Students

Ryerson University Students' Union

Saint Paul University Students' Association

University of Toronto Graduate Students' Union

University of Western Ontario Society of Graduate Students

Wilfrid Laurier University Graduate Students' Association

University of Windsor Graduate Students' Society

York University Graduate Students' Association

Québec

Concordia University Graduate Students' Association

Post-Graduate Students' Society of McGill University

Maritimes

University of New Brunswick Graduate Students' Association

University of Prince Edward Island Graduate Student Association

Newfoundland & Labrador

Graduate Students' Union of the Memorial University of Newfoundland

EXECUTIVE SUMMARY

The work of graduate students across Canada is instrumental to the development of high quality research to sustain and improve Canada's standing among peer countries. The federal government must provide the supports to ensure the country's leading junior scholars can conduct the best research possible to advance and enlighten Canadian society and drive Canada's economy.

Graduate-level education provides solid high-skill training in research and development, and public investments in graduate students pay off substantial long-term dividends. This education is enhanced through fundamental and curiosity-based research projects, giving students a breadth of skills that are applicable in many contexts and are transferable between fields and across the country. The federal government has a key role to play in fostering such research through the national research granting agencies and federal research departments.

Despite decades of financial incentives for industry, Canada continues to lag behind peer countries in private-sector research and development. By reallocating some of these incentives into public, fundamental research—which serves as the basis for all commercializable research—the federal government would both invest in training highly skilled, world-class researchers and would spur investment into secondary research.

The majority of graduate students who do not receive external funding, such as a Canada Graduate Scholarship, live well below the poverty line. Single students from low income families, graduate students with young children, and international students are most likely to live in poverty during their studies and take on unmanageable levels of debt. A lack of funding drives graduate students to work more at jobs that may have nothing to do with their studies, impacting the quality of their research.

Many Canadians begin their graduate-level studies with some, if not a substantial amount, of student debt. While there are federal need-based grants available for those studying at the college and undergraduate level, no such funds are available for graduate students. Apart from deterring lower-income students from pursuing graduate studies, those who do continue their education often must take on even more debt. This debt puts pressure on students to delay having children, purchasing assets, starting a business, or saving for retirement. Supporting graduate students will help build a brighter future for all Canadians and will lead to a more stable economy in the long-term.

GRADUATE STUDENT FUNDING

Invest \$30 million per year to expand graduate scholarships and internships. Expanding the Canada Graduate Scholarships by \$25 million would fund an additional 1,250 students. Expanding internship initiatives by \$5 million so that graduate students can intern with not-for-profit organizations would fund an additional 125 internships. Supporting graduate-level teaching, research, and experience is critical to build a foundation for economic and social development, while highly skilled and trained workers drive innovation.

Record-high levels of student debt and a post-secondary education system that is out of reach for an increasing number of Canadians threaten Canada's long-term prosperity. Canadian youth unemployment is double that of the general population. With current federal student debt at over \$15 billion, not including provincial or private debt, Canadian youth are now the most indebted generation in the country's history. This debt will have far-reaching implications for Canada's economy and socio-economic equality.

In the absence of national policy on post-secondary education, provinces have the ability to set tuition fees at whatever level they see fit. These provincial policies have resulted in students facing significantly different challenges in accessing graduate-level education depending on the province they are studying in. This disparity impacts regional development and economic growth.

Average tuition fees have increased at three times the rate of inflation in the last year alone. As the primary lenders of student loans, the federal government must take decisive action to progressively reduce student debt. Investments in students, universities, and research infrastructure are investments in Canada's future.

Funding for more Canada Graduate Scholarships should be balanced against existing tax incentives to employers for research and development. For example, transferring 0.5 percent of the tax incentives allocated through the Scientific Research and Experimental Development tax credit to the Canada Graduate Scholarships would provide an additional \$25 million per year in funding. Making this investment will contribute to the creation of quality jobs, new inventions and patents, boost productivity, and increase government revenues over the medium- to long-term.

The prospect of lower student debt encourages Canadians to pursue graduate-level education, while real-world experience will help them find meaningful research jobs or other high-quality employment. These investments are particularly important for key industry sectors as Canada's rate of private-sector innovation continues to lag behind that of comparable countries. Particular regions that would benefit from increased funding include Atlantic Canada, southwestern Ontario, and Saskatchewan where growing high-tech centres require more employees with graduate-level skills and training.

Increased funding for graduate scholarships and internships benefits both young Canadians and employers across Canada, establishes stable, well-paid employment, and boosts economic growth. The broad impacts are better jobs and higher productivity, while investing in doctoral students especially will help close the gap in graduation rates vis-a-vis those in peer countries. Better-funded graduates are also less likely to have student debt, making them more able to contribute economically.

RESEARCH AND DEVELOPMENT

Invest an additional \$150 million in base funding for fundamental research through SSHRC, NSERC, and CIHR for each of the next three years. This funding should be non-designated, to be allocated based on a peer-review process. This investment will improve graduate-level education and training, develop quality jobs, generate new inventions and patents, boost productivity, and increase government revenues over the medium- to long-term. Funding for this should be reallocated from the Scientific Research and Experimental Development tax credit, as recommended by the Jenkins Report and the Canadian Council of the Academies.

The Canadian government must continue to invest in programs and initiatives that create quality jobs and lay the foundations for the long-term economic, social, and cultural development of Canadians. Increased base funding for basic research for all three granting councils will support high-quality, competitive, and innovative work at Canada's public universities and research institutes. Faculty, students, and post-doctoral fellows will be able to continue cutting edge research, the results of which will be used by industry to develop new products and services for the market.

Investing in independent peer-review research will serve the public interest by advancing knowledge and innovation, which facilitates the current economic recovery underway and assures Canada's long-term prosperity. Fundamental research fuels all innovation in Canada but is rarely pursued by the for-profit sector. Public investments into fundamental research at public institutions will build the bedrock of innovation in Canada.

Currently, there is unnecessary and ineffective pressure to commercialise research projects in Canada. The Centres of Excellence for Commercialisation Research (CECR) - the network established by the federal government to bring together industry and academia - has reviewed 500 publicly funded projects over the last decade. Of these, only 60 were identified for commercial viability and, of those, only 40 moved forward. This means that 460 commercially-driven research programs, funded by the public, failed to produce commercially viable results.

Moreover, there is an inverse relationship between the amount of indirect government support for research and development through tax incentives with actual expenditures of industry on research and development. In other words, the tax incentives are not stimulating research and

development in Canada, they are simply making it cheaper for companies to use the research work of graduate students and save resources rather than invest in the Canadian economy.

Recent increases in funding for the federal research granting councils, especially those resources dedicated to graduate students, have disproportionately benefited applied research programs that are designed to pursue a commercialised research agenda over fundamental, curiosity-driven research. Shifting the motivation for university research away from the public interest and towards commercial interests has resulted in the private sector increasingly relying on public infrastructure at universities for research and development, rather than investing in their own infrastructure.

This dependence contributes to lower private sector investment in research and development in Canada than in comparable countries. Discouraging private sector investment in its own research and development facilities leads to fewer employment opportunities for graduates in an already difficult job market. The result of this restructuring is that many highly skilled workers are often unable to contribute their full potential, thus undermining Canada's global economic competitiveness.

The private sector's encroachment on universities undermines the independence of the academy, as money for research is increasingly tied to entities outside the academic system. These corporations often influence decisions that are normally left to the research community, such as investment in maintenance, research facilities, and new infrastructure. The research community can also come under pressure from private funders of research when outcomes are not commercially favourable for those funders, undermining the integrity of Canadian research.

NEEDS BASED GRANTS

Expand eligibility of the Canada Student Grants Program to include graduate students. The creation of the CSGP made a significant impact on access to post-secondary education for college and undergraduate students. Many students decide to not pursue or complete graduate-level education specifically because of high debts upon graduation. Having access to the CSGP will encourage completion of Masters and PhD studies, especially for graduate students who have or start families during their degrees.

Funding for eligibility of the Canada Student Grants Program to include graduate students should be balanced against existing tax incentives to employers for research and development. For example, transferring one percent of the tax incentives allocated through the Scientific Research and Experimental Development program to the Canada Graduate Scholarships would provide an additional \$50 million per year in funding.

Improved financial support for graduate students will help to offset the impacts of rising tuition fees and higher levels of student debt. While Canada has one of the highest post-secondary attainment levels in the world, this is largely due to the free CEGEP system in Quebec. Canada's doctoral completion rate lags behind all other peer countries. By expanding access to need-based grants, students can focus on completing their research. In turn, Canadians will be more qualified and will help fuel research and innovation in both the public and private sectors.

This support will reduce Canada's lagging PhD completion rates, making Canada more competitive globally for research and innovation, and will ensure that valuable investment is not wasted when students prematurely end their studies for financial reasons. Higher attainment rates will support research and development work

throughout the country, help to lower the youth unemployment rate, and produce long-term payoff in tax revenues.

Moreover, many graduate students begin families during their studies. International students often arrive in Canada with spouses and growing households. Many students struggle with existing debt, and the funding they receive for complete teaching or research assistantships is well below poverty line income. This creates unnecessary anxiety and stress for graduate students, impacting their quality of life, their overall health, and the quality of their research. Many graduate students put off starting a family altogether.

Qualified and accomplished graduate students must not be limited by their financial situation. Many graduate students leave their degrees incomplete due to a lack of funding or an unexpected medical expense (illness, injury, or a death in the family). Some of the best and brightest minds in Canada drop out of their graduate studies due to this form of financial atrophy, and Canadian society at large suffers the result. The federal government can reverse this trend and truly allow the research potential of graduate students in this country to flourish.

