CAUT ACPPU

DISTINGUISHED ACADEMIC AWARD

2008

The Interdisciplinary Intellectual and Public Policy Research

JOHN LOXLEY, FRSC
PROFESSOR OF ECONOMICS / UNIVERSITY OF MANITOBA

AWARD ACCEPTANCE ADDRESS

John Loxley received his PhD in economics from the University of Leeds, UK. He was a Lecturer in the Economics Department, Makerere University, Uganda, 1966–67, before becoming the Resident Economist of the then recently nationalized banking system of Tanzania, 1967–69. From 1969 to 1972 he was a Senior Lecturer in the Department of Economics, University of Dar es Salaam, Tanzania, where he helped set up the MA program. In 1972, as Director, he established the Institute of Finance Management, Dar es Salaam. From 1975 to 1977 he was Secretary (Deputy Minister) of the Resource and Economic Development Sub-Committee of Cabinet, Government of Manitoba, as well as Chairman of the Board of Directors of two crown corporations, the Communities Economic Development Fund and Channel Area Loggers, Ltd. He joined the University of Manitoba in 1977 and is currently Professor of Economics and Research Co-ordinator, Global Political Economy Program. He specializes in International Money and Finance, International Development and Community Economic Development and has published extensively in these areas. He was Head of the Economics Department from 1984 to 1997.

He has chaired the board of SEED Winnipeg, a micro financing and community economic development agency working mainly in the inner-city of Winnipeg. He works closely with several Aboriginal organizations, in particular with the First Nations Child and Family Caring Society (Ottawa) on the funding of child welfare and with Ogijiita Pimatiswin Kinamatwin, of Winnipeg, on economic development. He was Chair of the Board of the North-South Institute, Ottawa and is currently the Chair of the Finance Committee of the Executive Board of the African Capacity Building Foundation, an international organization based in Harare, Zimbabwe. He has served as an economic advisor to a number of governments in Africa and is currently an economic advisor to the Ministry of Finance, Manitoba, and Economic Consultant to the Credit Union Central, Manitoba. He has served as a member of the University of Manitoba Faculty Association's collective Bargaining Committee and has represented UMFA as bargainer and in other capacities. He is currently the Principal Investigator of a $1 million SSHRC/CURA grant awarded the CCPA-Manitoba, the University of Manitoba and the University of Winnipeg, on Urban and Aboriginal Poverty.

He received the Joe Zuken Citizen Activist Award, Winnipeg, 2000, was elected Fellow, Royal Society of Canada, June, 2005 and in 2006 was appointed life-long member of the Canadian Centre for Policy Alternatives.

John Loxley's work in each of the domains of academic life: teaching, research and service to the institution and to the community has been honoured with a CAUT Distinguished Academic Award. This is a copy of his acceptance speech delivered during CAUT Council events in Ottawa, May 3, 2008.

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John Loxley

I WISH TO THANK THE CAUT Council for this award. I am humbled by being honoured by this body for which I have the utmost respect. I also wish to thank those who sponsored my candidacy, Professor Brenda Austin-Smith and Professor Tom Booth of the University of Manitoba Faculty Association, both tireless workers for our members. I also wish to express my gratitude to my family and to my many colleagues in Winnipeg and elsewhere for their support over the years, without which I would not be privileged to be here to accept the award.

I WISH to begin by explaining some of the formative influences on my thinking and on the paths I have taken throughout my career.

I was one of twelve children, born into a poor but loving and supportive family. It was unusual for working class children to go to university and I was able to do so only because my education was entirely free. In fact, for the weeks spent at university, the living allowance I received was larger than my father's weekly wage to support the whole family. I learned to appreciate at a very young age, therefore, the importance of enlightened governments in the field of education and, ever since, I have been an advocate for free university tuition financed by a progressive tax system. More generally, my childhood experience persuades me that there is much that enlightened governments can do to alleviate poverty.

As a PhD student, I was fortunate enough to have as my supervisor the late Walter T. Newlyn. Walter took me under his wing and found funding for me to undertake my research in East Africa. He later moved to Uganda as Director of the East African Institute of Social and Economic Research and so I stayed on with him, and with his strong support took up my first teaching assignment there at Makerere University. Walter was a gentle, cultured man of great intellect and great sensitivity for the less advantaged. He had a powerful impact on my attitudes and values. From there I was fortunate enough to be asked to become the Chief Economist of the recently nationalized banking system in Tanzania, a country which, at the time, under the guidance of the great humanist, Julius K. Nyerere, was attempting to build a socialist society. Much of what I have learned in life I owe to the opportunities given me in Tanzania, initially in the National Bank and thereafter in the University of Dar es Salaam and the Institute of Finance Management (IMF), which I helped establish. But without Walter Newlyn's help, it never would have happened.

It was in Tanzania that I had the privilege of working with so many gifted and committed individuals who, in different ways have shaped my outlook on academe and my views generally. It was in Tanzania that I began to move between the academic and the practical and policy fields in life, drawing freely from one to guide me in the other and, if anything has defined my work, I hope it has been an effort to use my academic expertise to try to make a difference in the world in which real people live and work.

It was in Tanzania that I was exposed to Paul Baran's seminal paper on 'The Commitment of the Intellectual', a paper that was much discussed and debated at that time, and one which has had a profound influence on my approach to life. Baran distinguishes between 'intellect workers' and 'intellectuals'. Both rely on mental effort to make their living, but the intellectual, as defined by Baran, sees the interconnections between different facets of our existence, economics, politics, culture, science and religion etc, 'as parts of the comprehensive totality of the historical process'. Also part of that process is the evolution of values and ethics, which do not float in a vacuum. The intellectual challenges the values underlying intellect work, makes his or her value judgements explicit and seeks to carry out rational enquiry wherever it might lead, regardless of personal consequences. The intellectual is, therefore, of necessity a social critic, a role which often brings that person into conflict with the powers that be, both within and outside the university.

Baran's vision of an intellectual has helped shape my views in at least two important ways: he helped persuade me of the importance of interdisciplinary analysis, teaching and research, and he reinforced my predilection to use my education to work, through research and service, for the improvement of the lives of the less fortunate, be they in Africa or Canada. There are major challenges in both of these areas and I would like to use this opportunity to bring them some of them to your attention.

The Interdisciplinary Challenge

WHILE being trained in the tools of orthodox economics, I was fortunate from the very beginning in being exposed to Political Economy approaches to the discipline, which are intrinsically interdisciplinary, demanding knowledge of history, politics, sociology and anthropology. Political Economy focuses on power or social class relations within the economy and less on isolated individuals and firms; it examines the structure and inherent instability of the system rather than assuming a tendency to equilibrium; it examines how labour is reproduced and the gendered environment in which that takes place and it critically examines the important role played by the state.

At a national or global level, the Political Economy approach, while also being concerned with growth and stability, is equally preoccupied with their impact on income and wealth inequality, on regional and geographic imbalance, on gender equity, on race and on long-run sustainability. It is out of this tradition, therefore, that my interest in Development Economics, IMF and World Bank Structural Adjustment Programs and Community and Aboriginal Economic Development has evolved. And in these endeavours, I have been fortunate to have worked alongside economists of differing methodological and ideological persuasions who have been respectful of diversity. Moreover, I have benefited from collaborating with scholars from other disciplines who have enriched and expanded my analytical horizons. The Economics Departments in which I have worked, both in Africa and in Canada, have, until quite recently, both encouraged and supported this methodological and disciplinary pluralism. But there have always been challenges to this enlightenment.

To begin with, even as neo-liberalism is reaching the end of its credibility, the economics profession is taking a narrower and more limited view of what is and what is not acceptable. The legitimacy of Political Economy, Economic History, the History of Economic Thought and even, in some places, Development Economics, is being challenged. And within the narrowing orbit of what is acceptable in terms of subject, acceptable methodologies are also being narrowed down, with mathematical modelling and econometrics being almost a *sine qua non* of 'sound' scholarship. And this is happening at the same time as *heterodoxy* in Economics is thriving. This apparent paradox is explained to some degree by the fact that many contemporary challenges to the neo-classical orthodoxy still retain the individual as the focus of behaviour and accept power structures as a *datum* or, at best, trivialize them in relations that defy reality.

It is, therefore, a source of great sadness for me that my own department is currently being recast so fundamentally to mainstream respectability that the likelihood of our ever again hiring a Political Economist, a History of Thought economist or an Economic Historian who is not a narrow data miner has diminished considerably. And regrettably, the collegial, open minded, supportive environment that has been so essential to my own work is now under threat.

The pursuit of interdisciplinarity has never been an easy one anywhere in the world. In Tanzania in the 1970s, it was rejected by those who equated it with lowering the quality of education. In Canada, something of this view still prevails. In my own university it shows itself in graduate students pursuing an individual interdisciplinary degree not being eligible for funding from their primary department. Money for sessional lectures, teaching assistants and markers is allocated to departments and reserved for graduate students pursuing departmental degrees. Even where a student pursuing an interdiscipinary degree has a prior BA or MA from the department, they are ruled ineligible for financial support. This reflects not only the acute shortage of graduate funding but also a deeply rooted antipathy to interdisciplinary as opposed to disciplinary research.

Formal interdisciplinary programs as such, fare little better, though their experience is mixed. They tend to be small with five to six academic staff at best, have trouble offering graduate programs and frequently complain about being under-resourced. Our successful undergraduate Global Political Economy program has no permanent staff, has a co-ordinator housed and made welcome in Sociology and enjoys solid decanal financial support for student research and visiting speakers. In Labour Studies, an interdisciplinary program initially established and supported by the Economics Department, the two permanent staff remain housed in Economics but are not allowed to participate fully in Council votes. Again, this is a recent reflection of disciplinary arrogance asserting itself where once there was collegiality. The broader problem is that no one is quite sure of the appropriate model on which to organize these programs in a way that makes them administratively and financially feasible.

A partial solution to the problem of creating a convivial environment for conducting interdisciplinary work has, for me, been through large, collaborative SSHRC/CURA grants. It has been my good fortune to be Principal Investigator of two research programs on community development funded this way in recent years, allowing me to work with researchers from other disciplines and other universities. The joint development of proposals focusing on poverty and how to overcome it, the joint management of the research agenda and the joint review of completed research have allowed me to appreciate what other disciplines have to offer in terms both of academic research and of policy formulation based on that research. The whole experience has been at once enlightening and enjoyable and SSHRC is to be commended for encouraging these types of collaborative efforts.

This SSHRC funded research has also provided for significant community involvement, requiring careful attention to research methodology. The object has been to work with the community to capture representative voices on issues of community development. Since the Aboriginal community has figured prominently in our work, this approach to community involvement has taken on an anti-colonial dimension, since all too often research is, unfortunately, something that is done *to* Aboriginal People as opposed to *with* them. This has entailed an Aboriginal presence on our Executive Committee overseeing the research, the hiring of community researchers and the use of a prominent Aboriginal film maker in the dissemination of our results. The research has underscored the complexity of viewpoints on poverty and economic development within the Aboriginal community and their evolution over time, which has been a central theme in my own work on community economic development. It has also captured the contribution of Aboriginal leaders, many of whom have been women, to various concrete accomplishments in building successful CED projects to combat poverty.

The Challenges and Responsibilities of Research and Service Being Policy Relevant

MUCH OF my research has attempted to influence policy and I believe this carries additional responsibilities for academics. I will attempt to illustrate this by reference to different aspects of my research and service over my career; an early interest in finance and development; many years studying and helping design economic reform programs; a long-term concern about Aboriginal poverty and marginalization and, more recently a return to financial issues with an examination of the commodification of public services through public-private partnerships, or PPPs and work on alternative budgets.

As a young man my concern was with helping design monetary institutions which were post-colonial, having as their rationale, not the outflow of capital to the colonial mother country or underwriting the extravagant lifestyles of the white privileged ruling class in the colony but, rather, the improvement in the lot of the previously colonized. In the Tanzanian context, a further problematic of institutional reform was the relevance of monetary and financial institutions in a socialist context. I can still recall the shock I had on hearing that proposals I had made as an academic for institutional reform had actually been implemented. Some old institutions were closed, new ones created, existing ones reformed, people's lives transformed. It was at that point that I realized that, if my views were actually going to be listened to, then I had the obligation to reflect very seriously on the desirability, practicality and efficacy of policy proposals before making them public. I have carried that lesson with me ever since in my determination that my research be policy relevant.

Thus, in my critique of IMF structural adjustment programs, the necessity for governments to address fundamental production, fiscal and foreign currency imbalances has never been questioned. A clear case in point is Zimbabwe where, in just a few short months, the largest currency note in circulation has risen from $Z1,000 to $Z50,000,000 as a result of hyper inflation driven by economic mismanagement. There are no magic, alchemic solutions to serious economic problems. They have to be tackled head on as they impose enormous burdens on ordinary workers and peasants. But there are alternative policy choices to those which tend to be made by the IMF in determining how even very serious economic problems are addressed. The choice of policy instruments, of who bears the burden of economic adjustment, the speed of adjustment if foreign assistance is available, and the phasing of different measures of adjustment are all important decisions that need not follow standard IMF approaches. Local ownership of reform programs is also vital if improvements are to persist. In the 1980s most of these points were considered anathema by the IMF. In the late 1990s and since, the same points have been made by internationally renowned economists and underscored by costly IMF mistakes in Asia, Russia and Latin America with the result that the IMF has lost a lot of its influence, resources and credibility: but only after Africa and Latin America suffered a decade of negative per capita growth under IMF tutelage. Having a university base enables one to take positions critical of important institutions, but that freedom of expression carries additional responsibilities in that alternative policy prescriptions must be coherent and realistic.

I have always been struck by the similarities between problems facing developing countries and those being faced by the Aboriginal People of Canada. Land dispossession, the Indian Act, the attacks on culture and the reserve system, all have equivalents in colonial history in Africa and elsewhere. Average Aboriginal living standards are similar to those of middle income countries. Poverty is widespread; the levels of daily violence, children in care and incarceration are well above the average. The conditions of Aboriginal people are, indeed, Canada's disgrace. The colonial legacy is obvious; the solutions less so. I have been challenged to help find ways forward in a number of academic, advisory and policy positions I have held over the last thirty years. And there are some things we do know from research. It seems apparent that multi-dimensional problems will require multi-dimensional, or holistic solutions; that money spent on managing the problems of poverty would be better spent on prevention; and that there are many examples of programs that have been successful and of individuals and communities that have broken out of the bounds of poverty. But public policy has tended to shy away from incorporating these lessons and attempting to replicate success because of perceived financial constraints or lack of political commitment. There is often a good deal of controversy over proposed solutions too. Promoting the cause of policy reform to address Aboriginal poverty more systematically remains, therefore, a highly contentious activity for academics.

What is unambiguous is that research has also shown the centrality of education in the solutions to Aboriginal poverty and here, universities have a critical role to play. In my university, access programs in professional faculties have a long history and seem to be highly successful. General access programs have also performed well, but only a minority of Aboriginal students use them. Experts in the field argue that general access programs could be better funded but see the quality of high school graduates as a much bigger issue. Drop-out rates among Aboriginal university students remain high in first and second year university and one reason for this appears to be inadequate preparation at high school. This raises the issue of the possible need for a pre-university remedial education program and, in turn raises questions about who would fund it, where would it be housed and who would teach in it. These questions are not easily answered as recent solutions to similar problems encountered by foreign students have deeply divided my university.

As the Council of CAUT is aware, the decision by the administration at my university to award a five year contract to Navitas, through the International College of Manitoba, to recruit and teach overseas university students at pre-university and university 1 course level has been controversial for a number of reasons. The contract did not go through either the Board of Governors or the Senate. There appears to be no provision for academic oversight of courses, teachers or standards by the Senate, and the details of this for-profit agreement are confidential. Clearly, this would not make the ICM a model for accommodating pre-entry needs of Aboriginal students. But the Navitas/University of Manitoba agreement is interesting to me for other reasons. It is an example of a public-private partnership (PPP) and for the past decade or so I have been studying the theory and applicability of PPPs in Canada and around the world.

Declaring that 'The time for study is over; this is the time for action', the federal government recently made it a prerequisite of it signing infrastructure co-financing agreements with provinces that they consider PPP arrangements for all large infrastructure projects. Yet serious academic studies of PPP experience suggest that they uniformly cost more than public sector alternatives, rarely provide value for money, do not necessarily shift risk to the private sector as they are supposed to do, and do not reduce effective government debt as they often promise. In the light of this, the Navitas agreement raises many unanswered questions. For instance, was a public sector alternative to Navitas ever considered or costed out by the University of Manitoba? Is this a way of undermining the collective agreements which protect those who teach first year courses? How much is Navitas paying the University for using its premises? What safeguards are in the agreement to maintain academic standards and appropriate academic behaviour? Without public access to the legal agreement, it is not possible to answer these questions. But that is not unusual in PPP agreements as access to information is frequently barred by reference to the need for commercial secrecy. This secrecy is rarely justified when public money is being spent and, in a University setting is deeply disturbing. I commend CAUT for its efforts to address our concerns over Navitas and I raise the matter here because, regardless of what the federal government might claim, the academic debate about the wisdom of PPPs is far from over.

What drives administrators to enter into questionable arrangements with the private sector are real or perceived budgetary problems. I have always seen budgets not as mere financial statements, but as profoundly ideological and political statements. To paraphrase Julius Nyerere who was speaking about planning, 'to budget is to choose'. A critical examination of budgets involves, therefore, a critical examination of political choices made and put to numbers. My involvement in helping develop alternative budgets in Canada in the 1990s arose out of widespread dissatisfaction with budgetary choices being made at the federal and provincial levels, in particular. Those choices had a profound impact on people and institutions on the ground, and universities were not exempt from this. While there is a perfectly legitimate justification for simply critiquing budget choices, developing an alternative budget helps put those critiques into a more disciplined, constructive framework, thus helping to head off the counter claim that the demands being made are unrealistic, unmanageable or fiscally irresponsible. This is, of course, highly political and contentious work since it involves challenging the political power behind the budgets, be it the federal government, the provincial government or the university administration. It helps, enormously, to have the protection of tenure, academic freedom and a strong collective agreement. Working from an academic base also makes it easier to work, collegially, with civil society organizations; women's groups, environmental groups, trade unions and anti-poverty groups, as one is perceived, rightly or wrongly, to have a high degree of independence and impartiality.

Linking my work on PPPs and on budgets, leads me to caution against universities building closer links to the private sector for budgetary reasons. The budgetary impact of PPPs is often quite negative as governments replace direct borrowing by paying for leases on assets purchased by the private sector at higher interest costs.

The Link to Teaching

BARAN'S vision of the intellectual has also helped shape my approach to teaching. I have always attempted to expose my students both to orthodox approaches to the discipline and to critical alternative approaches. Wherever possible, I have also attempted to suggest the practical and policy implications of theories being covered in class and this seems to appeal to many students. In recent years, much of my teaching has been at upper levels and has translated into supervising graduate theses. Teaching and supervision have been among the great joys of my life and I have had the privilege of working with some wonderful students and of watching them mature into successful academics or practitioners of economics. I have loved the cut and thrust of debate with those of a different mind set and must admit to learning as much from many students as I have been able to teach them. One of the priceless aspects of being a university professor is the joy of being constantly exposed to youthful inquiry and energy, to emerging ideas and social movements and to a genuine desire to put knowledge to good use in the world. Few other professions offer such opportunity and challenge; few others offer such reward in terms of seeing youth flourish and grow in confidence and sophistication.

Many of my students have begun their academic life as overseas students; many have completed it as Canadians and now contribute positively, professionally, culturally and socially, to the rich fabric of our nation. For many, it has not been an easy road. High differential foreign student fees, transportation and living costs make post-graduate studying in Canada an expensive proposition, especially for more mature students with families. Financial support is often lacking or restricted over time; opportunities to act as teaching or research assistants, or as sessional lecturers, are limited. At the same time, with budget constraints, we could not offer our first and second year or summer courses, without foreign students. This interdependence is not always appreciated by administrators when they raise overseas student fees. Ideally, graduate students should enjoy much more bursary and scholarship support so that they can focus on their studies and more money should be forthcoming for year 1 and 2 courses to be taught by experienced faculty, but this would require higher levels of funding for universities or a reordering of internal university priorities or both.

IN ACCEPTING this award, I am mindful of the freedom I have enjoyed over the years to pursue the kind of research, teaching and service that I have chosen. In part, this was the outcome of a supportive university environment in which what I chose to do was valued. I have enjoyed, and would like to acknowledge, support from a number of enlightened Deans and other administrators within the University of Manitoba. I have also benefited from, and worked with, a strong faculty association which has, over the years, created space within which members can pursue their interests without fear of individual reprisals for taking unpopular stances. Indeed, the 1995 strike at the University of Manitoba was precisely over the issue of academic freedom and protecting the individual from arbitrary lay-off. CAUT was extremely supportive in this action and, consistently, has been a major source of assistance and guidance in our bid to create a healthy working environment. We know that faculty association activism does not always endear academics to university administrators, as Baran himself might have forecast; but without that activism and support for it by our associations, both local and national, we would not enjoy the degree of academic freedom that we enjoy today and our ability to pursue the ideal of the intellectual would be severely constrained.

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