Bank of Montreal

Speech

EDUCATING FOR THE NEXT CENTURY

by

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FINAL — CHECK AGAINST DELIVERY

Thank you, and good afternoon.

Being invited to speak to the Canadian Club is a great privilege in many ways, but perhaps the greatest thing about it is that you are usually allowed to choose your own subject. Within reason, that is. I assume that some choices I could have made would have brought me a personal call from the president of the Club, politely inviting me to reconsider. If you are ever kind enough to invite me back, I might be tempted to experiment and see what happens.

This time, let me say at once, Stanley Hartt did not call when I said I would like to talk about education this afternoon, and I think it's fairly clear why, even though education is not a subject immediately associated with banking.

Many years ago H. G. Wells commented in the *Outline of History* that "history becomes more and more a race between catastrophe and education". About the same time, an educational philosopher[1] stated starkly that education is life. Those were certainly sweeping claims, but as we reach the final years of the twentieth century, they are assuming almost prophetic stature.

Today education in the widest possible sense is indeed permeating life. I know from direct experience that getting education right is simply essential, for a bank that intends to continue growing and prospering in a growing and prosperous Canada. And I believe that getting education right is the key to realizing Canadians' cherished dreams of a fuller, more rewarding quality of life — dreams that have given this country the open, humane, and hopeful spirit that is at the core of being Canadian.

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Yet I think we all that know that in recent years, those Canadian dreams have often seemed destined to remain just that, dreams.

By almost any standard Canada is an exceptionally fortunate country, yet Canadians today are often too deeply concerned about the future to enjoy the blessings they already possess. Polls tell us this, pundits repeat it, daily casual conversation confirms it.

And there are undeniable grounds for concern. The fiscal discipline needed to restore our public finances is straining much that Canadians hold dear. At least one in ten Canadians who would like a job does not have one. Many who do have one worry that economic change will soon make it vanish. And while our recent success in manufactured exports has been encouraging, we have to ask ourselves how much it owes to sustainable, knowledge-based competitive advantages.

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[1] The American John Dewey [TK].

That is a highly apposite question. For decades now the growth in our productivity has been slowing. Over the last ten years, it has averaged only one-sixth of the average in the decade prior to 1973. This has truly ominous implications for our future as a developed nation with one of the highest standards of living in the world. Steadily Improving productivity is the way, the only way, we can create real competitive advantage in world markets and thereby maintain the quality of life that has made Canada such a desirable place to live.

The links between productivity growth and national educational achievement are many and complex, but in a time when economic growth is strongly centred in knowledge-based industries, their importance is undeniable and can only grow. The competitiveness of any workforce is closely connected with its ability to acquire the right kinds of knowledge and skills, and it has been aptly said[2] that knowledge is the only instrument of production that is not subject to diminishing returns. Canadians sense that instinctively, and it is a major reason why the polls tell us they are unhappy often with the performance of the great educational machine.

Again, there are real, measurable grounds for their unhappiness.

While we have many good universities, and have made great strides in advancing accessibility to them, in spite of our high spending on education we have not always found it easy to balance the commitment to access with the need for excellence.

At the other end of the system, too often neither excellence nor access to university come into the question at all. Over 40% of adult Canadians are classified at Levels 1 and 2 on the literacy scale, which means they will have trouble reading a book or even using Microsoft Office.

Our high school dropout rate is estimated at 20%, something that is simply amazing when you learn that between 1991 and 1994, there were more than 300,000 new jobs for university graduates across Canada; there were more than 170,000 new jobs for men and women with a college diploma or trade certificate; but for high school grads the number of jobs fell by 16,000, and for high school dropouts it fell by a disheartening 650,000 jobs. Clearly we can and must do better than this.

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Of course the picture is not all bleak. But there are more than enough negatives to justify asking whether we are getting the best possible return on our educational spending which, as a percentage of GDP, is higher than in almost any other country.

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[2] Attributed to U. S. economist John Maurice Clark, 1884-1963.

The question I believe we have to consider is: Have we developed a system which produces the answers to yesterday's problems? With its characteristic mixture of local financing of staff and facilities and centralized control of educational content, is it still essentially designed for that distant, rural, agricultural Canada of a century or more ago, when the broad lines of our educational system were laid down?

Do not misunderstand me. When Egerton Ryerson and his counterparts shaped our public school systems to achieve the goal of universal education, they scaled a high mountain. It is easy to take their accomplishment for granted. What we cannot take for granted is the idea that there are no mountains left to climb. Just as our success in the Industrial Age depended on a school system that taught us how to read and write, add and subtract, our success in the Information Age depends on a school system that teaches us how to manage information, utilize technologies, innovate and — above all — how to think.

I believe there can be no doubt that our approach to education needs to be fundamentally re-thought. And it is being re-thought — by professional educators and perhaps even more, by the stakeholders in education who one way or another include every one of us. For me, one of the most encouraging developments of our time is the greatly increased public interest in educational questions, and rising participation in the educational process itself.

This desire to participate should not be seen as criticism of our educators. Quite the opposite.

Talk to parents about our schools, and more often than not they will tell you what the education system is not doing well, or what it needs to do better. But talk to them a little longer, and they will inevitably tell you about a teacher who inspired their child, or a guidance counsellor who went out of their way to help their children chart their academic path, or a principal who helped foster an atmosphere where education is fun and learning is loved. Most parents would say the problem isn't the people who make up the system. But most would also say there are problems with the system itself, and they need to be fixed. And many parents are willing to help.

When you talk to anyone who is at all familiar with our schools, you hear almost as many concerns as the number of people you talk to. Today, I would like to suggest that they fall into three categories: How well-equipped our schools are, how well-run they are, and how well they perform — technology, governance and standards. Let me speak to each point in turn.

Technology, or better personal computer and network technology, should not be seen as an optional add-on to the existing educational plant. It does not simply constitute one more skill to be acquired, or just a new resource like another library. Rather it can and should be the means of transforming education.

The digital universe can provide small and remote schools with the same resources as their larger counterparts. It can liberate teachers from the tyranny of the "chalk and talk" syndrome, with its too-frequent result of restless, bored and indifferent students. And the power of computers can take the subjects traditionally considered most difficult and arid, like maths and physics, and make them more exciting than any video game.

This is already reality in some favoured schools. No one, however, can foresee the full extent of what digital technology will do. We have barely scratched the surface of what is possible — when did you last see a classroom with a telephone line? But it seems certain that the possibilities created will be so immense that no force can stop them being used — perhaps by a creative minority at first, but ultimately everywhere. And for me, the most exciting prospect of all is that technology can democratize the educational quality previously available only to the privileged few.

Not the least of technology's powers is the ability to breach the schoolroom walls. It can create links between the classroom and the home, between the school and the worlds of business, government or the arts. Again, the possibilities opened up are so vast that we have hardly begun to sketch them in our minds. They will, however, have a foundation to build on, for increasing co-operation between educational institutions and the world of work has been one of the most positive trends of our time.

Again I know this at first hand because Bank of Montreal is involved in several programs, such as the Junior Achievement *Economics of Staying in School* program, under which 280 Bank employees speak to high school classes on the value of learning and the advantages of schooling. We are also very proud of our work with *The Learning Partnership*, which encourages students to stay in school, helps them prepare for transition to the world of work, and promotes careers in science and technology.

But technology is not a magic hat or a pair of seven-league boots. How effectively it helps our children learn depends on how wisely it is used. How wisely it is used depends, in turn, on exploring its range in every possible way, with a room for experiment that no single, centralized system can give. That is one major reason why we have to reform the governance and management of our schools to allow for greater choice, variety, and flexibility. The centralized model was designed at a time when schools were intended to impart a fixed body of knowledge; it has survived into a very different age in the name of equality and accessibility.

What we have to do is preserve those qualities, integral as they are to Canadians' beliefs about their society, while creating space for experimentation and innovation. Schools — with the participation of parents — should have the same kind of freedom to shape the content and methods of their teaching that universities have long enjoyed. There are many models of governance that give them this. Several jurisdictions in Canada including Alberta have already set a tentative foot on this path. More should follow.

Experiment and autonomy need not and should not mean the abandonment of common standards. On the contrary, liberating our schools means that standards are more essential than ever. I note that just the other day in Ontario, the Ministry of Education took a potentially decisive step with the announcement of a province-wide curriculum, with clear goals in reading, writing, spelling, grammar, math and science by the end of grades 1, 3, 6 and 9. Yet I believe that most Canadians think, as I do, that we also need *national* standards. In a federal state like Canada, jurisdictional boundaries cannot and should not be ignored. But they also cannot be allowed to stand in the way of the best possible future for our children. Standards can be set and monitored by a national body constituted by the provinces. Such a body should be set up as soon as possible.

National standards should be set to be a challenge, rather than the lowest common denominator; and they should be benchmarks, aimed at bringing Canadian achievement up to the best international level. At the same time, they should not be cast in concrete. In this time of constantly changing knowledge, standards will need annual review and renewal if they are to be a goal rather than a straightjacket. And they should be accompanied by meaningful records of the achievement of individual students — something which, again, computer technology has made far easier to achieve than ever before.

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Hearing a banker talk about educational technology, governance and standards may raise some eyebrows and foster concerns about a "takeover" of the educational system by the business world. Some may see under the sheep's clothing of co-op programs the wolf of a "business agenda", which will lead universities to produce an endless stream of convinced free-marketers, most of them with degrees in accounting.

I don't believe the evidence supports these suspicions. More important, I don't believe such a "takeover" would be in the true interests of the business world.

With all respect to any MBAs in my audience, I don't believe that at bottom there really is such a thing as business education. There is simply education. Northrop Frye once observed that every field of knowledge is the centre of all knowledge, and that it doesn't matter so much what you learn, when you learn it in a structure that can expand into other structures[3].

Education should impart not facts, not training, not even skills above essential literacy and numeracy, but rather the "cross-curriculum" abilities to reason, to imagine, to think laterally, and perhaps most important, to welcome learning as a continuing and essential part of life.

Technology can do much to foster those aptitudes, yet paradoxically they can also be acquired in the traditional core of a university, the liberal arts. They are the reason many graduates of the humanities do so well in the business world. That is why it is far more important that students graduate from university having read Dante, or the great historians of today and yesterday, than understanding the practice of double-entry accounting. We can always teach them that when they first encounter a ledger.

Education and business must each remain sovereign in its own sphere. Yet their mutuality of interest is great and growing, and their spheres increasingly overlap. Bank of Montreal, for example, is itself a major educational institution, investing more than $62 million a year in learning for our employees for an average of over five days' training a year. We also recognize our obligation to educate our customers, and our Possibilities campaign of two years ago and its descendant, the Possibilities Newsletter, gives that commitment substance. I don't say this to invite praise: investment in these forms of learning is simply a prerequisite for future business success.

Outside its own walls business has both a self-interest and a community interest in ensuring maximum accessibility to higher and continuing education for Canadians. This has become a fundamental Canadian value, something that Canadians have come to see as a right and a priceless opportunity. In the age of knowledge-based growth, it is also an economic imperative. We cannot afford the waste of human capital represented by someone who could benefit from post-secondary education and cannot afford it. Yet in a time of inevitable government restraint, we cannot simply abolish tuition fees or make scholarships available to all.

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[3] N. Frye, "The Beginning of the Word", reprinted in On Education, Fitzhenry & Whiteside, Toronto, 1988.

Business can help directly, as Bank of Montreal has done with our recently announced $3 million program of four-year scholarships at University of Toronto — which has been matched dollar for dollar by both the University and the Government of Ontario, to create a $9 million scholarship fund. I think this tripartite approach is a useful model for future co-operation, and Rob Pritchard and his colleagues at U of T are to be congratulated on their vision and imagination.

Today, I am pleased to tell you that Bank of Montreal will be undertaking a further new initiative — the establishment of The Possibilities Foundation®. We will be investing $8 million annually — over and above our current donations programs — to establish a foundation that will provide scholarships for high school graduates across Canada to further their education in their chosen field — at a university, community college, technical school, arts school, or any other recognized educational institute they may choose.

The Possibilities Foundation will, we hope, carry out in practice some of the principles I have outlined in these remarks. The communities in which we operate will be fully involved in the choice of the scholars. The scholarships themselves will be conferred based on concrete achievement, consistent with the need for standards in education. But the students who receive these scholarships will be free to decide at what kind of educational institute to use them: we are not propagating a monolithic vision of educational achievement. It is in our interest as a business to see young Canadians get a chance to develop their talents; it is up to them to decide in what direction.

The Possibilities Foundation will help hundreds of young Canadians further their education every year, and it will help encourage many more young Canadians to set their sights on that goal. In that way, it will both improve access, and encourage excellence. And by so doing it will give substance to our commitment to the communities we serve — a responsibility that no longer ends where the sidewalk begins.

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I began my remarks by giving voice to many of the concerns Canadians feel today. Now I would like to redress the balance by reminding us all again what an extraordinary achievement a system of universal public education was in its time. The notion that the entire adult population of a nation could be taught to read, write and calculate was nothing less than revolutionary, and it would have been easy to despair of the prospects for realizing it. Yet realized it was.

Now the challenge for our time is to equal that achievement. We have to move the whole system to a new level, marked by flexibility, innovation and closer ties with a rapidly changing society. By doing so we can create a prosperity greater than we have yet known, equip ourselves to compete in the markets of the world — and at the same time, make education, as it always should be, a joy and a fulfilment for those who teach and those who learn alike.

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