

Intelligence MEMOS



From: William B.P. Robson and Alexandre Laurin
To: The Honourable Bill Morneau, Minister of Finance
Date: February 13, 2019
Re: **MEASURING EDUCATION AND REFORMING EI**

The C.D. Howe Institute's [Shadow Federal Budget for 2019](#) was released last week. Its focus is on ensuring the competitiveness and dynamism of the Canadian economy in the near and medium-term, setting the stage for a return to surpluses during the next Parliament. Today: measuring education and labour markets, plus EI reform.

Measuring Canadian Education Results

While the provinces deliver elementary and secondary education services, the federal government plays a key supporting role by supporting the benchmarking of student achievement across the country and internationally. This benchmarking promotes the spread of effective practices and highlights areas that need improvement. This Shadow Budget proposes measures to enhance this federal role. At the national level, the Pan-Canadian Assessment Program (PCAP) evaluates performance in reading, writing, mathematics and science. Its evaluations currently look at achievements three grades apart. Its value would be far greater if it measured performance at each grade level. Year-by-year measures are better for judging value added, and a shorter cycle would improve the chances of spotting and responding to problems while the students affected are still in school.

At the international level, the Program for International Student Assessment (PISA) benchmarks the performance of Canadian students in math, science and reading against peers abroad. Canada supports participation by larger numbers of students to make [comparison among the provinces possible also](#).

The Shadow Budget would augment funding for these student assessment programs over the next five fiscal years. The estimated cost of this measure is small.

Meanwhile, Indigenous Canadians, especially on reserve, tend to complete secondary education at much lower rates than other Canadians. In Budget 2016, Ottawa proposed spending \$2.6 billion over five years to support on-reserve primary and secondary education programs and infrastructure. But [students on reserves](#) do not benefit from the measures of achievement that benchmark performance and spur improvement in most provincial schools.

Therefore, we propose to fund the PCAP and PISA assessments for on-reserve schools and offer bonuses for schools whose students participate in sufficient numbers to benchmark their performance.

Improving Canada's Labour Markets

Canadian workers and employers will find and engage better with each other if they have access to better information about job opportunities and worker qualifications. They would also benefit from Employment Insurance (EI) reforms that reduce distortions that promote pockets of high unemployment.

The [2009 report of the Advisory Panel on Labour Market Information](#) identified priority data gaps with respect to vacancy rates, employment figures, Aboriginal peoples, immigrants and education.

In the decade since, some advances have occurred, however, data gaps remain. The Labour Force Survey still does not cover the on-reserve Indigenous population. Canada has no consistent data to track people as they move from formal education to work. A survey asking potential employers about the characteristics they seek would also be useful.

Next, regional differences in the EI program encourage dependency for many workers and discourage migration to areas where job prospects are brighter. Shorter qualifying periods and longer benefit periods in areas with higher unemployment subsidize industries and regions where prospects for long-term, stable jobs are poor. This Shadow Budget proposes to phase out EI's regionally differentiated entrance and benefit provisions. [Tying the new uniform provisions to the national unemployment rate](#) would preserve a countercyclical income stabilization element in the program. In the short term, the desirability of accelerating EI access for workers in regions where past low unemployment rates impede access justifies easing the stringent requirements ahead of tightening the looser ones, so the Shadow Budget provides some additional funding to help the transition.

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