



PERSPECTIVE

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OECD EDUCATION REPORT SHOWS CANADA MUST DO BETTER ON ESSENTIAL SKILLS

In today's globalized, knowledge driven economy, education and skills training are paramount. Thus, today's release of 'Education at a Glance 2014' by the OECD is worth paying attention to. The results for Canada are mixed. On the one hand, Canada has the highest share of adults among the major industrialized economies to have college or university education at 53%, well above the average of 32%. And, Canada's top ranking has been in place for a considerable time. Good job, right? But, this high level of education has Canadian adults only ranking near the OECD average on literacy and below average on numeracy. As stated in the country note for Canada, "The mean literacy and numeracy scores of Canadian upper secondary and tertiary graduates falls below the OECD average for people with those levels of education."

The report notes that Canada's high share of post-secondary education reflects above average completion of college and vocational training. In my mind, this is desirable because Canada needs more trades-oriented workers. We need to champion colleges even more. And, Canada still ranks well on university attainment, being tied for seventh place. It may be the case that colleges and other vocational training use foundational skills (literacy and numeracy) less intensively. However, one look at college text books and training manuals will show you that literacy and numeracy skills are critical. A takeaway is that we need to put more emphasis on foundational skills development in our post-secondary education system.

Spending on education doesn't seem to be a problem. The annual expenditure per student in Canada is one of the highest in the OECD countries. This again raises the question: if we are spending more than other countries, why don't we have stronger skills outcomes?

Well, we are at the youth level. Canadian youth rank above the OECD average in foundational skills. There is some concern, however, about the trend in numeracy. "Canadian 15-year-olds score significantly above the OECD average in mathematics, but between 2003 and 2012 their average mathematics scores deteriorated, while the share of top performers decreased and the share of low performers increased." While Canadian youth score above average, I still have concerns on this front. In relative terms we are doing well, but in absolute terms too many youth are leaving the secondary school system with below desired literacy and numeracy to succeed in a modern, knowledge-based economy. For what it is worth, my personal view is that the system could achieve even better outcomes by putting greater weight on the basics.

I'm often asked how Canada can rank well on youth foundational skills but less well on adult skills. Part of the explanation is that a key at-risk population in Canada for weak literacy skills in the official languages of English or French is the newcomer population. With immigrants making up a larger share of the Canadian population, and with an increasing share of newcomers arriving from non-English or French speaking nations, their weaker official language literacy skills are pulling down the average. Another at-risk population is the Aboriginal and First Nations people. Poor



education opportunities and outcomes are acting as a considerable constraint on foundational skills development. And, Aboriginal youth are not well represented in the benchmark literacy and numeracy surveys. The message is that enhancing foundational skills for these groups should be a priority.

Nevertheless, I don't believe this is just about at-risk groups. I think the issue is inadequate attention and investment in essential skills training for youth and adults. Literacy and numeracy are key enablers. They help to unlock the potential of individuals. As the OECD highlights, "high skilled workers are rewarded in the labour market." Indeed, as past research by TD Economics has highlighted, people with stronger essential skills have higher employment rates, lower unemployment rates, reduced duration of unemployment, higher income, and have greater capacity and motivation to do continuing education. There has recently been more attention on current and/or future potential labour and skill shortages. But, we cannot have work-ready employees without the necessary foundational skills. Moreover, if Canada is going to have a prosperous, competitive economy, we have to strive to have the most skilled workforce possible, not just the OECD average. That won't happen if we don't invest more in getting the basic skills right.

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