



MEI

Ideas for a
More Prosperous
Society

20

1998 - 2018

TWENTY YEARS OF PROMOTING
BETTER PUBLIC POLICIES

Introduction

Twenty years ago, in 1998, the Montreal Economic Institute obtained its charitable status from Revenue Canada. The MEI had been founded in 1987 by a group of academics and businesspeople, but had not generated regular, structured activities during those years, due among other things to a lack of funding. In the months that followed the securing of this status, I was hired as Director, we obtained start-up funding from an important Canadian foundation, and we were thus able to start our activities in earnest.

The MEI hasn't stopped growing since. Two decades later, it is an organization with over a dozen permanent employees and an annual budget of around \$3 million. Its reach, confined to Quebec in its first years, is now solidly pan-Canadian, and even international in certain respects due to its involvement in some debates in the United States and through the support it lends to young think tanks around the world.

The MEI's mission is to contribute to a better understanding of market mechanisms, ultimately in order to help establish better, wealth-creating public policies. Over the years, our work has delved into a range of areas like health care, education, public finances, energy policy, regulation, free trade, and many others.

This little booklet, published in the context of the MEI's 20th anniversary celebration, presents a few highlights from our twenty years of activity. I hope that this brief retrospective will bring back fond memories to those who have known us for a long time, all while giving others a sense of the path we've travelled and of our ever-increasing achievements. Happy reading!



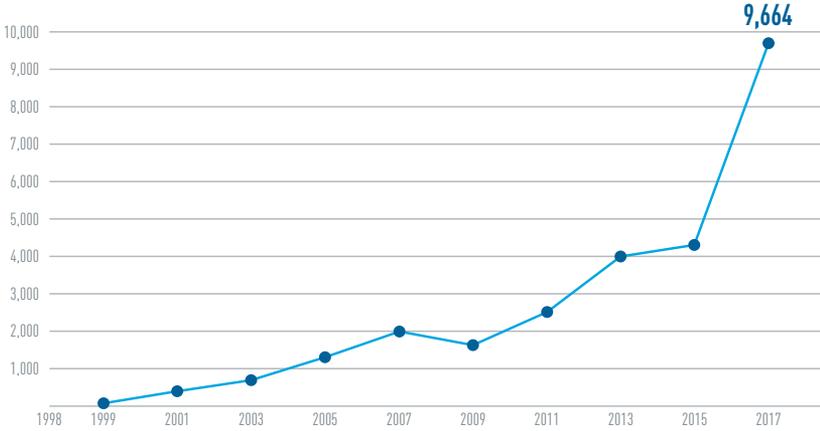
Michel Kelly-Gagnon

President and CEO

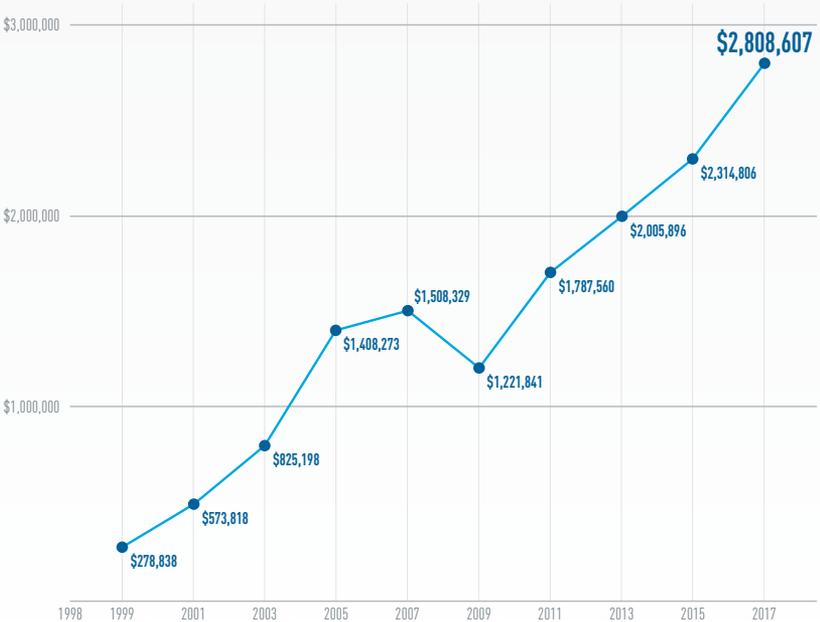
October 2018

A steadily growing organization

Media Mentions



Annual budget



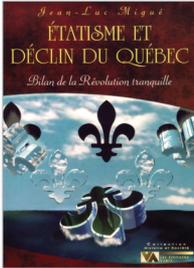


1998

Attainment of charitable status from Revenue Canada and start of the activities of the MEI as we know them today.

1999

Étatisme et déclin du Québec : Bilan de la Révolution tranquille



The MEI's first publication was a book written by economist Jean-Luc Migué targeting an idea widely held in Quebec since the Quiet Revolution, namely that all social and economic problems can be resolved through more government intervention. For the MEI, this book was a way to set the tone for the years to come, by debunking certain tenacious myths.

Resurrecting Urban America: A Role Model for Montreal

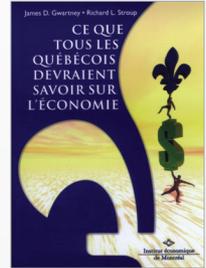
The MEI's first major conference was held in December 1999. The Mayor of Indianapolis, Stephen Goldsmith, explained how he reduced property taxes and made the economy more dynamic in his city by relying on competition in the delivery of municipal services. The room was filled with many notable Montrealers, including then-Mayor Pierre Bourque.



2000

Ce que tous les Québécois devraient savoir sur l'économie

This little book is an adaptation for a Quebec audience of a work published by American economists. It was a bestseller in its category, having been sold in many university, college, and other bookstores around the province. The book presents the most important economic principles needed for a better understanding of the complex world in which we live.



Grading Quebec's Secondary Schools

In 2000, the MEI published its very first Report Card on Quebec's Secondary Schools, an annual study evaluating the performance of the province's public and private secondary schools. Decried by teachers' unions and school boards, but much appreciated by parents, the Report Card caused a veritable shock wave in the world of education.



2001

The Scope of Government and the Wealth of Quebecers



Before the MEI's regular, structured interventions, the debate on the scope of government and economic growth left little room for a rigorous analysis of the facts. It was therefore important at the time to reiterate that while a small dose of government interventionism can ensure a vigorous and growing economy, it can turn into a dangerous poison when we take too much of it.

Equalization: Welfare Trap or Helping Hand?

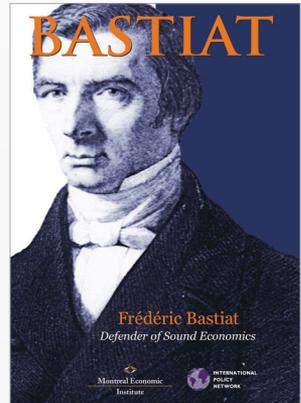


In 2001, for the first time in its young history, the MEI welcomed a recipient of the Nobel Prize in Economics. American economist James Buchanan, one of the main architects behind public choice theory, came to speak to us about the pros and cons of Canada's equalization program.

2002

Frédéric Bastiat, Defender of Sound Economics

To fulfill its educational mission, the MEI tries to familiarize the general public with important authors from the past who made a mark on economic thought. The writings of Frédéric Bastiat, a 19th-century French economist who tackled the economic sophisms of the day, are as relevant today as they were during his own time, and should be read by everyone.



How Can We Resolve the Housing Crisis in Quebec?

In the early 2000s, certain groups were demanding more government intervention to resolve the shortage of affordable housing. This Research Paper (in French with a bilingual executive summary) set the record straight by explaining that this shortage was the result of rent control and the excessive regulation of the construction industry, which discouraged investment in new rental housing units.



2003

Turning to the Private Sector in Health Care: The Swedish Example

ECONOMIC NOTE

Montreal Economic Institute October 2003

Turning to the private sector in health care: The Swedish example

How do you go by without health care in the Canada health care system? In the last few years, most of the people at the center of this debate were talking about financing health care through other than a budgetary or financing angle. Many proposals that put the attention of politicians directly on the question of the public. This is the creation of new financing and planning structures such as the Canada Health Global Fund is about to emerge.

Sweden's more open approach shows us that it is possible to increase the efficiency of the system by means of market mechanisms. While maintaining universal care, we have found that the limited use of the private sector would lead to a greater access, better of public and competition in the market of health care.

In the 1990s, the Swedish health care system experienced a crisis. Public opinion in the 1990s was that there was too much waiting time for certain services and long waiting lists for many services. The system was not growing enough quickly. In response, the government decided to open the market to private providers.

In Sweden, local governments are responsible for health care. The government is responsible for financing the health care system. However, the central government is responsible for financing the health care system. This is why we have a mixed system of financing.

Making the market of suppliers

In a contracted public system, the patient is in a market of suppliers. The patient chooses between different providers and each individual provider pays the fee. This is why the government is not the provider of the service. The government is the provider of the service or the employer of the service.

In 1992, the Swedish government set up a program through which public sector suppliers could also compete independently in a competitive market. In the same year, the government provided competition with financing and legal support to set their companies to work in a competitive market. Other than temporary services, most of the market through public bids.

It is possible to increase health care system. While allowing the market to increase the efficiency of the system by means of market mechanisms. This is why we have a mixed system of financing.

The basic idea underlying the introduction of market mechanisms is that, for a given administrative cost, the amount of an independent business company can be more efficient than a public one. This is why we have a mixed system of financing.

This is what the Swedish have achieved. In 1992, the government set up a program through which public sector suppliers could also compete independently in a competitive market. In the same year, the government provided competition with financing and legal support to set their companies to work in a competitive market. Other than temporary services, most of the market through public bids.



The proper management of the health care system has always been a major theme for the MEI. From our very first work on the subject, we have tried to show that there are other universal health care models that are more successful than ours, where everyone is treated regardless of wealth, and which leave substantial room for entrepreneurship, competition, and patient choice.

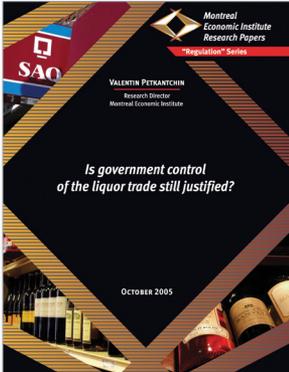
The 2003 Quebec Election Campaign



During the 2003 Quebec election campaign, the MEI invited the leaders of the main political parties to share with our audience their vision of the economic development of Quebec. Mario Dumont, Leader of the Action démocratique du Québec, and Jean Charest, Leader of the Quebec Liberal Party, accepted our invitation.

2005

Is Government Control of the Liquor Trade Still Justified?



While the prospect of ending the SAQ's monopoly is seriously discussed today, it's the MEI that launched the debate in 2005 with a substantial Research Paper that was long the reference document for anyone interested in the issue. This is an eloquent example of the MEI's long-term influence on public policy debates.

Obstacles to Entrepreneurship in Quebec



Entrepreneurship is in the DNA of the MEI. Its president is himself an entrepreneur who launched the Institute's activities with little means and built it into one of the most dynamic think tanks in the country. This first work on the topic explained how certain fiscal and regulatory policies slow the creation of businesses in Quebec, and end up undermining our prosperity.

2006

La face cachée des politiques publiques

The title of this book by Nathalie Elgrably-Lévy (The Hidden Face of Public Policies) is a good summary of the approach of researchers at the MEI: All of the potential effects of public policies have to be evaluated objectively, the good and the bad, using rigorous economic analysis, instead of just trusting in the good intentions that are behind the policies.



\$7-a-Day Childcare: Are Parents Getting What They Need?

Public policies based on centralization, standardization, and government control generally have adverse effects. Our analysis of the system of government daycares at the time remains relevant more than a decade later: This system is expensive, does not adequately meet the needs of parents, and leads to waiting lists.



ECONOMIC INSTITUTE
NOTE
October 2006

\$7-A-DAY CHILDCARE: ARE PARENTS GETTING WHAT THEY NEED?

The institutional context

While the stated aim of government "free-of-charge" childcare is to reduce the burden on parents, government-financed universal day-care programs are not designed to meet the needs of parents. In a typical government-financed day-care program, parents are required to pay for transportation and meals. In addition, government day-care is often located in areas that are not convenient for parents. The program is also subject to long waiting lists. This policy could be the source of a major problem for parents.

Who benefits from the new system?

In its early stages, the \$7-a-day childcare system would benefit a specific type of childcare worker: the individual or non-unionized worker. This is because government-financed day-care is often located in areas that are not convenient for parents. The program is also subject to long waiting lists. This policy could be the source of a major problem for parents.

Do the costs justify the benefits?

The \$7-a-day childcare model is a good example of a government program that is not designed to meet the needs of parents. The program is also subject to long waiting lists. This policy could be the source of a major problem for parents.

1. The authors would like to thank the following people for their assistance in preparing this note: ...

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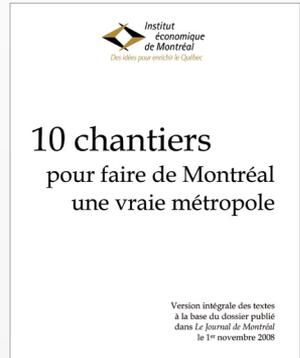
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2008

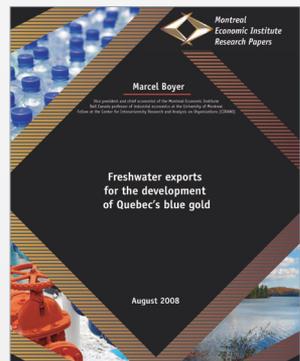
10 chantiers pour faire de Montréal une vraie métropole

One of the MEI's strengths is to propose concrete, easy-to-understand solutions to improve public policies. This publication put forward ten projects relying on entrepreneurship and creativity to develop Montreal's strong points as a North American metropolis.



Freshwater Exports for the Development of Quebec's Blue Gold

Economic education is an integral part of the MEI's mandate. By thinking outside the box and pushing the envelope, we can encourage people to reconsider their beliefs. This Research Paper was a good example of that. It presents a general portrait of the possibilities open to Quebec in selling and exporting fresh water, and defines the role and responsibilities that the existence of this potential imposes.



Are Public Sector Pension Plans Too Generous?

Canadian taxpayers work nearly half the year to finance the various levels of government. Several MEI publications over the years, like this one on pension plans, have looked at ways of making public services more effective and less expensive for taxpayers.

Montreal Economic Institute
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ECONOMIC NOTE
 MARCH 2010

ARE PUBLIC SECTOR PENSION PLANS TOO GENEROUS?

Supplemental pension plans provided to employees are a key fringe benefit to their employer that has long provided compensation to the private sector. Pension plans have been spreading through the public sector in recent years, in the Quebec public sector, the other half of the government's public sector and in some local government entities. With significant cost to the government and the "Common Fund" of public sector entities, should it make sense to look into the matter and to find if public sector pension plans are too generous compared to those in the private sector, taking into account taxpayer ability to pay?

The cost of retirement

Before answering this question, we first have to know the present of cost for a given individual given retirement. This depends both on past retirement income and on the desired standard of living. A retirement of funds in the present day is 70% of the retirement income will enable a person to reach the same standard of living as retirement.

Without public pension plans, a person would have to save about 10% of their salary (around \$4000 in Quebec in 2009) until they are 65 years old, saving a million dollars, requiring over their life a normal contribution over the present value cost for the individual to retire at age 65.

Compulsory contributions to public plans reduce the amount that individuals have to pay. The federal and provincial pension schemes, including the

age 65, provided \$2,500 a year in 2009. Payments under the Quebec Pension Plan are roughly similar at age 65, but the cost to finance this age is roughly equal to 2009 at age 65 was \$2,500 per year.

It is thus necessary to have other sources of income after retirement. Employment pension plans have to be a substantial source of income. But they vary greatly depending on the employer (according to one area of activity, etc.).

How generous plans have evolved.

There are two main categories of pension plans, with very different impact on financing. On the one hand, defined benefit pension plans require the retirement income pledged in participation to always fund up a specific amount, less of the tax, the employee receives the financial risk that this type of plan bears.

On the other hand, defined contribution plans do not set the amount pledged in advance. Contributions from employees and employers are determined by regulations, and the income provided

The Institute has no financial interest in the publication of this note. The opinions expressed are those of the author and do not necessarily reflect those of the Montreal Economic Institute.

Jean A. Pouliot Lecture Series

This lecture series was named in honour of Jean A. Pouliot, a broadcasting industry pioneer in Quebec and also the father of Adrien Pouliot, who was Chairman of the MEI's Board of Directors from 1999 to 2007. For the 5th edition of the series, we welcomed John Blundell, Director General of the Institute of Economic Affairs, who spoke about the Thatcher Revolution.



2011

A Plea for a Quebec-Alberta Dialogue



The construction of pipelines for transporting Alberta oil has been one of the country's most controversial political issues for several years now. In 2011, the MEI sought to bring Western and Eastern Canada closer together by showing among other things that the development of Alberta's oil resources was beneficial for all Canadians, including Quebecers.

The Financing and Transparency of Unions

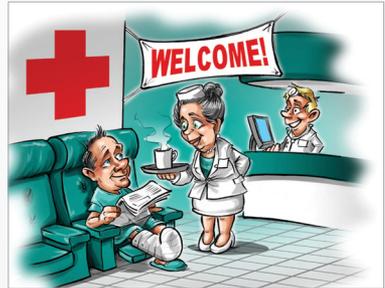


The MEI has always fought for greater transparency for unions benefiting from mandatory financing. This publication looked at the reasons why the detailed financial statements of unions should be made public, and how this would benefit both unions and their members.

2012

Activity-Based Hospital Funding: We've Waited Long Enough

The good news for the Quebec health care system is that activity-based funding, which the MEI has long defended, will finally be put in place in the coming years. It's not the only health care reform that's needed, but the MEI played an important role in promoting a better understanding of this more rational way of funding our hospitals.



Reform Ideas for Quebec's Health Care System

The MEI never backs down from a debate. Shortly before his return to politics, Dr. Philippe Couillard matched wits with Michel Kelly-Gagnon on the benefits of competition and the role of the private sector in Quebec hospitals. This shows what an important forum the MEI is, attracting the most prominent public figures.



2013

The Consequences of a Fixed Book Price



In 2013, the main political parties in Quebec supported the idea of establishing a fixed book price to help small bookstores. The MEI intervened to explain the harmful effects of such a policy on sales of books and on readers. Our input turned things around, and the government finally abandoned its project.

The Intellectual Journey of Mario Vargas Llosa

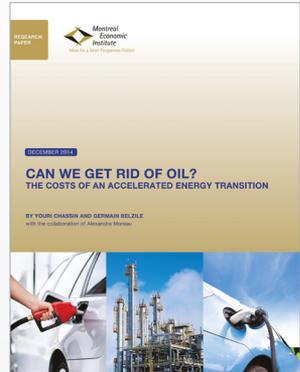
Mario Vargas Llosa, winner of the 2010 Nobel Prize in Literature, came to Montreal at the MEI's invitation as part of our George Lengvari Sr. Lecture Series to deliver a moving testimony of his intellectual journey from young communist to staunch defender of liberty.



2014

Can We Get Rid of Oil? The Costs of an Accelerated Energy Transition

Discussions of energy policy take up more and more space in the public debate, and it is important for Canadians to understand the ins and outs of these issues. This Research Paper explains that the energy transition can only take place over many years, and that we must adopt pragmatic policies that take into account taxpayers' ability to pay.



The State of Competition in Canada's Telecommunications Industry

MEI researchers explore the impacts of public policies on entrepreneurs and taxpayers, and also on consumers. In 2014, the MEI launched the first edition of this annual publication that analyzes the effects of the decisions of the federal government and the CRTC on the telecommunications industry.



2017

Are Electric Vehicle Subsidies Efficient?



One of the MEI's specialties is challenging policies that are expensive and ineffective. This publication on electric vehicle subsidies as a means of reducing greenhouse gas emissions generated the most media mentions in our history, eliciting reactions not only in Canada but also in the United States and in Europe.

The Comeau Case: The End of Provincial Trade Barriers?



The MEI has been addressing topics of pan-Canadian interest for years. Interprovincial trade barriers, which reduce Canada's GDP by tens of billions of dollars each year, was the most important file of 2017. In addition to a publication and an informational campaign on social media, we were called upon to appear as experts before the Supreme Court in the Gerard Comeau case.

2018

Free Trade: Are We Losing?

As part of its Ian Soutar Lecture Series, the MEI had the honour of welcoming British Member of the European Parliament Daniel Hannan, who spoke to us about the benefits of free trade. This exceptional orator is a fierce defender of economic freedom in the United Kingdom, in Europe, and around the world.



Steve Forbes Marks the MEI's 20th Anniversary

To celebrate our 20th anniversary, we have the honour of welcoming Steve Forbes, Chairman and Editor-in-Chief of Forbes Media. Mr. Forbes is a long-time friend of the MEI who has followed with interest its growth from the very beginning. This is the third time he visits us. He was the ideal person to help us mark this new stage in the history of our organization.



