



July 2015

LEVEL 3 AS A MINIMUM NATIONAL LITERACY STANDARD

The initial publication of literacy results from the 2011 OECD PIAAC international adult skills assessment abandoned the Level 3 proficiency standard that had been applied in reporting the results of 1987 LSUDA study, the 1994, 1996 and 1998 IALS studies and the 2003 IALSS study. The reason cited by a senior OECD official for the change was quite astounding “Level 3 is too demanding for the Italians, as 70% of their adult population fall below this threshold and that makes them feel bad.” Based on a careful analysis of the impact of skill level on individual, institutional and national success, I believe that there are strong reasons for Canada to maintain Level 3 literacy as a national standard, one that is needed to assure that we can continue to meet our collective social and economic goals. Key elements of the evidence that supports Level 3 are presented below.

THE EDUCATIONAL RATIONALE

The threshold between Level 2 and 3 represents an important cognitive threshold, where processing moves from the routine application of procedural knowledge that uses the recall processes in the back of the brain to the non-routine application of the reasoning and problem-solving processes of the pre-frontal cortex. Given what we pay for education in Canada, the goal of the secondary system has to be to limit the proportion of students leaving the system with skills below Level 3. This is also happens to be the proficiency level demanded by the overwhelming majority of jobs in the Canadian economy.



Level 3 has also been shown to be the level that students need to take full advantage of study at the post-secondary level. Depending on the province, from 5% to 30% of youth with Level 1 and 2 literacy skills go on to some form of post-secondary study. These students get lower marks and face much high probabilities of dropping out before graduation from their post-secondary program. Having Level 3 literacy would give these students a fighting chance. Ensuring that all post-secondary students have Level 3 literacy skill would also increase the public's return on their considerable investment in the post-secondary system.

THE PRODUCTIVITY RATIONALE

Jobs at Level 3 pay significantly more than jobs at Levels 1 and 2 because workers at this level are able to wring more output out of a given set of capital, raw material and production technology inputs. The wage premium paid to Level 3, 4 and 5 skill is rising rapidly as technology increases the skill intensity of production. Moving from Level 2 to 3 offers workers a material increase in their average wage.

At the aggregate level, differences in average literacy score have been shown to explain over 55% of long term differences in productivity and GDP growth rates in the world's most advanced economies. Canada's average score currently sits at Level 2. Moving the average to Level 3 would be enough to raise the real wage rates of the average worker significantly.

Analysis of international assessment data also identify a level effect in which higher proportions of workers at Levels 1 and 2 reduce long-term rates of productivity and GDP growth significantly. This loss of productive capacity seems to be the result of e employers adjusting their technologies of production, work organization and production processes down to cope with the fact that their work force includes significant numbers of workers who are only capable of applying routine procedural knowledge. Achieving Level 3 would eliminate this loss.



THE EQUALITY RATIONALE

The threshold between Level 2 and 3 is the most important threshold between literacy levels because of the impact that it has on the probability of experiencing poor individual labour market, health, educational and social outcomes.

Adults at Level 1 and 2 are much less likely to work in the year, work fewer weeks, are more likely to experience a spell of unemployment, experience much longer spells of unemployment, earn significantly lower wage rates, work longer hours when they work and are much more likely have to rely on income support programs.

Adults with Level 1 and 2 are less likely to graduate from high school, to access post-secondary education, to complete post-secondary education, are far less likely to participate in adult education and training or to have their employer pay for participation in adult education and training.

Adults at Level 1 and 2 are 2.5 times more likely be in fair or poor health than their more skilled peers even after accounting for the impact of a broad range of other characteristics that are known to influence health.

Adults at Level 1 and 2 are less likely to volunteer and to vote.

In all cases, the probability of experiencing poor outcomes rises more rapidly at the Level 2/3 literacy threshold than at any other level, even after accounting for the impact of a broad range of other characteristics. If one cares about reducing inequality, then the data say that Level 3 is obvious standard.

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