



Institut Économique
de Montréal

ANNUAL REPORT 2000

The Montreal Economic Institute (MEI) is an independent, non-profit, non-partisan research and educational institute. It endeavours to promote an economic approach to the study of public policy issues. The MEI's mission is to propose original and innovative solutions for the crafting of efficient public policies, using successful reforms applied elsewhere as models.

The MEI studies how markets function with the aim of identifying the mechanisms and institutions which foster the prosperity and long-term welfare of all the individuals which make up our society. The MEI is the product of a collaborative effort between Montreal-area entrepreneurs, academics and economists. The Institute does not accept any public funding.

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• MESSAGE FROM THE CHAIRMAN •

It is with great pride that we offer an overview of what was accomplished by the Montreal Economic Institute during the past year in this *Annual Report 2000*.

As an entrepreneur myself, I know how difficult it can be to launch a new project. In only its second year of existence, the MEI has proven beyond doubt that it is a dynamic institution and that it is here to stay. In a very short period of time, it has established itself as a respected voice in public policy debates in Quebec.

We often hear the complaint that political and economic issues are too complicated, and that the discussions over government decisions are monopolized by interest groups and experts, thereby excluding ordinary citizens. But there can be no democratic process worthy of this name without input from ordinary citizens. And to be able to provide this input, they need to understand these complicated issues.

This is the role of a think tank like the MEI: to communicate analysis of major public policy issues based on sound economic principles that can be understood by the general public. Among other things, the extraordinary interest generated by the publication of the *Report Card on Quebec's Secondary School* among thousands of educators, school administrators, parents and students is a proof that this goal is being met.

An enterprise like the MEI could not develop without the generous help of donors and supporters. I hope that those of you who contributed to MEI's success in 2000 will be convinced, after reading this Report, that your effort, time and money was well-invested.

Adrien D. Pouliot - Chairman of the Board

• MESSAGE FROM THE EXECUTIVE DIRECTOR •

The year 2000 was the first full year of activities for the Montreal Economic Institute. In terms of publications and activities, we have already reached cruising speed, with an average of one conference organized and one study published every month over the year. The coverage we have received in the Quebec media has been tremendous, and the MEI has already carved a niche for itself as one of the main players in the debates on public policy in this province.

Staff

One of the major challenges of a new institution is to find the right team of people to make it work, and we achieved this during the past year. Our first secretary, Suzanne Charest, had to leave us and was replaced by Geneviève Chrétien. Our in-house economist, Norma Kozhaya, also left temporarily for maternity reasons.

Meanwhile, we have welcomed two new employees. Patrick Leblanc will be in charge of organizing conferences and seminars as Director of Events, and Martin Masse will take care of publications in addition to doing research and writings. We also use outside help for our Web site and conference organization. I remained in my post as Executive Director, where I have been since the MEI began its activities in 1999.

Events & Publications

Several hundred people attended the nine major events organized by the MEI in 2000. These events covered topics ranging from health care reform to interprovincial barriers and taxation.

Some of the twelve publications that we released in 2000 were related to these events. Apart from the books, the MEI publications are divided into two main types: small-format Economic Notes, and larger Research Papers. (See below for a full list of studies).

Media coverage

The media presence of the MEI increased exponentially during 2000. We had over 175 media hits (articles in newspapers and magazines, reports and interviews on TV and radio) over the course of the year. This includes columns and op-ed pieces published under my name or that of MEI collaborators in daily papers and magazines. The *Report Card on Quebec's Secondary Schools* received a tremendous amount of coverage for several weeks, but in addition to that, almost all of our initiatives have received at least some coverage.

The MEI's goal is to disseminate the results of our research in the population at large, and our presence in the media is proof that we are succeeding. (A full list of our media archives is available on our web site.)

Web site

Our web site has been described by a recent Atlas Foundation newsletter as "impressive". It allows us to reach thousands of people in Canada and around the world. All our publications are also available on the Web site.

Here again, the study that had the greatest impact was the *Report Card*. In the days following its publication, the average number of daily hits to our Web site went from 200 to more than 60,000. Aside from this spectacular surge, we have noticed a 5 to 10% steady monthly increase in visitors to our site.

Financial situation

Finally, the principal reason that we have been able to achieve so much in 2000 is that we raised the funds necessary to do it. Our current financial situation is excellent. Our annual revenues went from \$278,838 in 1999 to \$603,500 in 2000.

Michel Kelly-Gagnon - Executive Director

• **MEI EVENTS IN 2000** •

January 29, 2000 - Recent education reforms in England and the United States

Breakfast meeting on the lessons which could be drawn from reforms recently undertaken in the education systems of England and the United States with Réjean Breton, Professor of Law at Laval University.

February 12, 2000 - Student Seminar on Public Policy Issues

Day-long seminar on public policy in Canada presented by the Montreal Economic Institute and the Fraser Institute.

February 25, 2000 - The Scope of Government and the Wealth of Nations

Breakfast meeting on the relationship between the size of government and economic growth with Robert Lawson, George H. Moor Chair in Business & Economics at Capital University in Columbus and Director of Fiscal Policy Studies for the Buckeye Institute in Ohio.

May 9, 2000 - The Celtic Miracle

Luncheon co-hosted by the Canadian Club of Montreal with John Bruton, former Prime Minister of Ireland and current Leader of the Official Opposition, on the sources of Irish economic growth.

September 20, 2000 - Interprovincial trade barriers

Conference on interprovincial trade barriers and their effects on the Canadian economy with Marc Hébert, elk breeder, Peter Besserer, owner of the Black Tomato restaurant and Jocelyn Dumais, president of ADAT (the Association for the right to work).

October 18, 2000 - The future of health care in Quebec

Conference on the future of health care financing and delivery in Quebec with Doctors Jonathan Meakins, Edwin Coffey, Jacques Chaoulli, David Gratzner and Mr. Johan Hjertqvist. A debate was also held under the chairmanship of Dr. Léo-Paul Landry.

October 24, 2000 - Interprovincial trade barriers

Keynote speech presented in Montreal and distributed across Canada by Michel Kelly-Gagnon, executive director of the Montreal Economic Institute, as part of the Round Table on interprovincial commerce organized by the Internal Trade Secretariat.

November 21, 2000 - Taxes and the Internet

Conference given by Sally C. Pipes, President and CEO of the San Francisco Pacific Research Institute, on e-commerce and the tax system.

December 11, 2000 - Discussion forum

Discussion forum with Richard Marceau and Peter Cowley, authors of the *Report Card on Quebec's Secondary Schools*, and with Michel Kelly-Gagnon, executive director of the Institute, on the methodology of the *Report Card*.

• **MEI PUBLICATIONS IN 2000** •

February 2000 - Taille de l'État et richesse des nations

Publication of a Research Paper on the relationship between the size of government and economic growth written by James Gwartney, Professor of economics and political sciences at State University of Florida, Randall Holcombe, DeVoe Moore Professor of Economics at State University of Florida and Robert Lawson, Assistant Professor of Economics at Capital University in Ohio.

March 28, 2000 - Ici le peuple gouverne: Pour une réforme de la démocratie

Launch of a book co-authored by Filip Palda and Michel Boucher (both from the École Nationale d'Administration Publique) entitled *Ici le peuple gouverne: Pour une réforme de la démocratie* on the problems that face modern democratic institutions (published jointly by Varia Press).

April 2000 - Le « miracle celtique »

Publication of a Research Paper on Ireland's economy (French adaptation of a chapter of *Road to Growth: How Lagging Economies Become Prosperous* by Fred MacMahon of the Atlantic Institute for Market Studies in Halifax).

August 2000 - La liberté de travailler: source de prospérité et de création d'emploi

Publication of an Economic Note on the « Right-to-Work Law » (inspired in part by the book *Unions and Right-to-Work: The Global Evidence of their Impact on Employment*, ed. by Fazil Mihlar of the Fraser Institute).

September 2000 - Universal Private Choice: A concept of health care with quality, access and choice for all Canadians

Publication of a Research Paper on the future of health care and the reforms that should be made by J. Edwin Coffey, Retired Associate Professor at the Faculty of Medicine, McGill University and Former President of the Quebec Medical Association and Jacques Chaoulli, General Practitioner.

October 2000 - Le projet de zone de libre-échange des Amériques

Presentation of a mémoire on the proposed North American Free Trade zone before the Commission sur les institutions in Quebec City.

October 2000 - L'État-providence et les pauvres

Publication of an Economic Note on the impact of social programs on poverty.

October 23, 2000 - Commission d'étude sur les services de santé et les services sociaux

Presentation of a mémoire written by Dr. Edwin Coffey, co-author of the MEI study Universal Private Choice, and Michel Kelly-Gagnon, executive director of

the Montreal Economic Institute, before the Commission d'étude sur les services de santé et les services sociaux (Clair Commission).

October 27, 2000 - *Report Card on Quebec's Secondary Schools, 2000 Edition*

Launch of the *Report Card on Quebec's Secondary Schools, 2000 Edition*, co-edited with the Fraser Institute.

November 2000 - *Les taxes de vente et le commerce électronique*

Publication of an Economic Note on the economics of e-commerce.

November 2000 - *Une évaluation de la proposition de taxation à deux taux de l'Alliance canadienne*

Publication of an Economic Note on the Canadian Alliance tax system proposal.

December 2000 - *Ce que tous les Québécois devraient savoir sur l'économie*

Adaptation for a Quebec readership of a book written by James D. Gwartney et Richard L. Stroup on the basic concepts of economics.