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ROUNDTABLE

FROM SHORT-TERM RESPONSES TO LONG-TERM STRATEGY

MARCH 2026



Skills mismatches, productivity pressures, and eroding public trust point to a deeper design problem in how post-secondary education in Canada is organized and funded.

OBSERVATIONS FROM THE FIELD

Across Canada, provincial governments are responding to mounting pressure within post-secondary systems. Budgets are tight. Domestic enrollment is softening. Employers point to persistent skills mismatches. Public confidence is eroding. While provinces are taking different approaches, the pattern is consistent: systems are under pressure, and incremental fixes are no longer enough.

British Columbia has launched a broad review of its public post-secondary system to improve long-term sustainability. Alberta's expert panel has called for reforms to improve competitiveness and reduce misaligned incentives. Ontario convened a blue-ribbon panel on post-secondary financial sustainability and has since announced new investments, though longer-term structural challenges remain. Elsewhere, including in Nova Scotia, governments are asserting more direct oversight in response to mounting fiscal and accountability concerns. Different tactics – same underlying problem.

To the public, these reviews and panels can sometimes feel familiar, particularly when tangible changes take time to materialize.

At the root of this disconnect are post-secondary systems shaped by assumptions from a different era. Canada's policy and funding frameworks increasingly expect every institution – universities, colleges, and polytechnics alike – to do everything: conduct world-class research, drive workforce development, expand access, and serve diverse community needs. But few institutions can excel across all fronts at once. Expecting them to do so is costly, inefficient, and ultimately counterproductive.

CALLING ON LEADERS

There's a smarter path forward: one that recognizes what different institutions do best and supports them accordingly. It's called differentiation. We examine this approach in our [Different by Design](#) thought leadership piece. It underpins the world's strongest post-secondary systems. Countries that clearly distinguish between research universities and applied institutions align policy, funding, and accountability to those roles. Learners benefit from clear pathways that lead to employment, innovation, and mobility.

Canada, by contrast, still operates on policy assumptions that no longer reflect how institutions actually serve learners and the economy. Institutions are rewarded through funding and accountability systems that emphasize the same narrow performance indicators, rather than those that encourage them to deepen their distinct strengths. The result is systems where colleges and polytechnics are under-resourced, teaching-focused universities are undervalued, research universities are stretched thin, and learners are left to navigate complexity with little clarity or direction.

Differentiation doesn't mean limiting ambition: it means enabling it. Teaching-focused institutions can prioritize student success and employability. Polytechnics can lead applied research and industry collaboration. Research universities can anchor discovery and innovation. Indigenous and regional institutions can align education with local and culturally grounded priorities. Collaboration becomes strategic rather than duplicative, and students gain clarity, confidence, and choice.

THE GOOD NEWS

The ingredients for differentiation already exist. What's missing is policy alignment. Canada needs funding models that reward institutional focus, legislated mandates that protect distinct missions, and accountability frameworks that value contribution rather than conformity. Work-integrated learning, applied research, digital delivery, lifelong learning, and employer engagement should be treated as core infrastructure, not temporary pilots.

Absent that alignment, governments will continue to intervene episodically in response to symptoms, rather than deliberately redesigning systems for long-term impact.

The cost of inaction is rising. Without deliberate system design, we risk deeper skills mismatches, declining productivity, and institutions pulled further from their strengths. Differentiation is not a threat to access or quality. It is the most effective way to deliver both.

Canada needs to design post-secondary systems for the future, not by asking every institution to do everything, but by ensuring each can do what it does best: supporting clearer pathways for learners, stronger talent pipelines for employers, and research that advances innovation, productivity, and growth.

THIS IS JUST THE STARTING POINT.

Read the full Different by Design thought leadership piece for a deeper look at the ideas shaping this work.

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