



*Centre for the
Study of Living Standards
Centre d'étude des
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**REPORT AND PROCEEDINGS
FROM THE CSLS ROUNDTABLE ON**

Creating a More Efficient Labour Market

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Introduction

On February 26-27, 2001 at the request of Human Resources Development Canada, the Centre for the Study of Living Standards (CSLS) held an invitational stakeholder Roundtable in Ottawa on the topic of creating a more efficient labour market. The specific objectives of the Roundtable were to examine the recommendations of the Expert Panel on Skills report released in February 2000 and to gauge support for future action in the area of skills and learning. Over 70 persons participated in the Roundtable, with representation from leading members of the business, labour, public policy, non-governmental organization and academic communities as well as senior representation from federal government departments and provincial governments.

The event was opened on the evening of first day by the Honourable Jane Stewart, Minister of Human Resources Development with a speech entitled “Investing in Skills, Canadians and Canada’s Future.” On the second day Roundtable discussion was organized around four specific topics: ways to improve the effectiveness of sector councils; the role of the labour market information system in improving labour market efficiency; the effectiveness of immigration in meeting the current needs of the labour market; and the strengths and weaknesses of the Canadian apprenticeship system. At the beginning of each session, four persons very knowledgeable about the topic from the private sector, government, and academia served as lead speakers to stimulate discussion.

This publication consists of the report that synthesizes the deliberations of the Roundtable and makes recommendations based on these discussions and the actual proceedings of the event. These proceeding include the speech by the Minister, the remarks from the lead discussants and ensuing discussion and the remarks by the rapporteur Arthur Kroeger. The appendix includes a list of the Roundtable participants and the biographical sketches of the lead speakers.

Report on the CSLS Roundtable on Creating a More Efficient Labour Market¹

EXECUTIVE SUMMARY

On February 26-27, 2001 at the request of Human Resources Development Canada, the Centre for the Study of Living Standards (CSLS) held an invitational stakeholder Roundtable in Ottawa on the topic of creating a more efficient labour market. The specific objectives of the Roundtable were to examine the recommendations of the Expert Panel on Skills report released in February 2000 and to gauge support for future action in the area of skills and learning.

This report is based on the stakeholder discussion at the Roundtable. All recommendations included in this report were proposed at the event. The report is organized around the four topics discussed at the Roundtable: ways to improve the effectiveness of sector councils; the role of the labour market information system in improving labour market efficiency; the effectiveness of immigration in meeting the current needs of the labour market; and the strengths and weaknesses of the Canadian apprenticeship system.

Key messages coming from stakeholders at the Roundtable on the first topic addressed are that Canada's experiment with sector councils has been unique in the world, that the results have been positive, that the federal government should strongly support this initiative, and that provincial governments should take more interest in it. The report identifies a number of specific measures government could take to improve the effectiveness of sector councils. In particular, the federal government, in conjunction with the provinces, should make funds available to sector councils for the delivery of training programs; permit overhead costs to be deemed an allowable expense for sector council projects funded by the federal government; and allow greater flexibility in its accounting practices for sector councils. The federal government and provincial governments should give priority to streamlining and better coordinating their sector-specific active labour market initiatives.

On the second topic of labour market information (LMI), stakeholders recognized that Canada has one of the best LMI systems in the world but felt there are nevertheless changes that could make the system more timely, accurate, relevant and accessible. In particular, a key priority for improvement is the provision of better information at the local level. Specific recommendations from the Roundtable include the implementation of standards for guidance counsellors to ensure that they are able to provide adequate counselling on labour market opportunities; the development of a direct vacancy monitoring survey instrument to identify local labour market opportunities; the greater use of administrative data sources to improve the timeliness of labour market information; greater integration and linkages among existing data sources; and revision of Statistics Canada's cost-recovery pricing policy to make labour market information more affordable to Canadians.

¹ This report was written by Professor Rodney Haddow of St. Francis Xavier University in close collaboration with CSLS Executive Director Andrew Sharpe. This document is posted at www.csls.ca under Reports.

Two distinct pictures of immigration emerged in the third Roundtable session on immigration's role in meeting the needs of Canada's labour market. On the one hand, highly skilled immigrants are in short supply in some critical high technology industries while on the other hand, many less skilled immigrants are encountering more difficulty than in the past in adjusting to Canada's labour market. Different types of measures are needed to deal with these two realities. Recommendations regarding the former include greater use by the federal government of private sector expertise in the assessment of labour shortages for immigration purposes and an easing of the process required to bring temporary workers into Canada. Recommendations regarding the latter include greater use of Prior Learning Assessment and Recognition (PLAR) to assess the credentials of immigrants to facilitate their integration into the labour market and provision of adequate income support and programs to ensure that recent immigrants have ample opportunity to acquire the basic skills they need to succeed in the labour market.

The discussion in the final Roundtable session on apprenticeship revealed a system that has much to contribute to the development of the skills of Canadians, but one that is not living up to its potential. The limited number of persons who complete apprenticeship programs, the failure of the apprenticeship model to move outside its tradition base in the construction trades, and the limited representation of women, aboriginals and visible minorities in apprenticeship programs were pointed to as weaknesses. The large differences in the effectiveness of the apprenticeship system among provinces, with Alberta appearing to have the strongest system, suggest that much can be learned from comparative analysis. A key factor in Alberta's success was the control the private sector exercises in the operation of the system. Specific recommendations to improve the effectiveness of the apprenticeship system include the implementation of modularization, the development of pre-apprenticeship programs in high schools, and greater use of laddering whereby qualifications acquired in apprenticeship courses can be used as credits for other post-secondary programs.

REPORT

This report is organized around the four topics discussed at the Roundtable: the possibilities for improving the effectiveness of sector councils; the role of the labour market information system in improving labour market efficiency; the effectiveness of immigration in meeting the current needs of the labour market; and the strengths and weaknesses of the Canadian apprenticeship system.

Improving the Effectiveness of Sector Councils

The federal government supports private sector-led councils that have a mandate to address human resource issues in a number of industry sectors. A few councils originated in the 1980s, and the model was extended more widely beginning in the early 1990s. These bodies develop “up side” training courses for existing and potential employees in their sector; identify “down side” adjustment opportunities for workers where downsizing has occurred; establish industry-wide skills standards; monitor existing skill levels in the sector; and try to anticipate future needs. For the most part, however, they do not themselves deliver training programs; this is usually done by public or private trainers or within firms. Sector councils have a small professional staff who are overseen by each council's private sector membership. This membership varies considerably from sector to sector. Where there is extensive unionization, employer and union representatives may share council seats on something close to equal terms; in other cases, employers or independent professionals hold most or all of these positions.

The federal government devolved important aspects of its active labour market programming to the provinces during the mid-1990s, especially in relation to training expenditures, but devolution was not extended to include responsibility for sector councils. These were defined as a “pan-Canadian” responsibility by the federal Human Resources Development Canada (HRDC) Department, and are therefore still actively supported by the federal government. Ottawa reaffirmed its commitment to sector councils in its October, 1999 Speech from the Throne. In the first half of 2000, a continuing important role for the councils was endorsed by the Expert Panel on Skills in *Stepping Up: Skills and Opportunities in the Knowledge Economy*, its report to the federal government.

Many public and private sector observers argue that sector councils have fulfilled a valuable function. They note their status as an intermediary institution between government and the private sector, able to improve skills within economic sectors more effectively than either of these could do on its own. Unlike government, sector councils can draw upon the unique advantages available to those directly involved in industrial settings in defining skills needs, which are now changing rapidly in many areas. On the other hand, sector councils also require that private sector actors partly suspend the competitive relationships that typically prevail among firms and between employers and employees, in order that they may cooperate in improving the quality of human capital across the entire industry sector. This strategy of cooperation has become potentially more beneficial to the extent that domestic firms increasingly find their main competitors outside of our national borders. With the widespread continentalization of the Canadian economy in recent years, this trend is, in fact, evident in many areas.

There is good reason, then, to recommend that the federal government continue to support sector councils. But these bodies nevertheless have encountered obstacles in recent

years; to optimize their effectiveness, these should be addressed. One concern raised by some sector council participants is a perceived incongruity between the effective functioning of these bodies as sector-wide institutions, on the one hand, and the broad thrust of the federal government's labour market policy since the mid-1990s on the other. The latter is widely seen as favouring a greater focus on the central role of individuals in making choices for themselves about what labour market opportunities to pursue, and what labour market benefits to use; in making these choices, individuals are, of course, expected to have access to accurate labour market information, and the federal government continues to see an important role for itself in this area (addressed in a separate section of this report).

This more individualist orientation is reflected in several recent federal initiatives. During the 1990s, the federal government abandoned its previous policy of purchasing blocks of seats in provincial training institutions, replacing this with measures that allocated funds directly to training recipients who could then purchase labour market services in a wide variety of settings. These might include innumerable private training schools, as well as community colleges. In provinces where Ottawa continues to play a role in dispensing training dollars, such as in Ontario, it still funds individual training decisions in this way. Under agreements with the provinces that accepted full devolution of training spending from Ottawa after 1995 similar arrangements have been put in place. Subsequent federal education initiatives also stressed individual choice. The Canada Education Savings Grant was created to help parents save money for their children's education, and education tax credits were made more generous. In its January 2001 throne speech, the federal government announced the creation of Registered Individual Learning Accounts; these will allow individuals to save money in a tax-sheltered account to finance their own further education. Each of these initiatives is designed to expand the demand for educational services while allowing individual beneficiaries wide latitude in identifying where to purchase these services.

Planning labour market initiatives at the sectoral level is made more complex in this environment. Many council administrators believe that they can project future human resource needs and develop training initiatives within their sector more effectively if they can anticipate with some confidence how many public training dollars will flow into their sector in the future, and in what institutions they will be expended. Without information on where training budgets will be expended, councils cannot be sure that sectoral labour market needs will be satisfied. Because the number of institutions eligible to receive public education and training monies is now very large, it is impossible for sector councils to monitor the quality of sector-relevant skills formation occurring in most of them, or to consult with many of them about planning and course development.

It is unlikely that the federal government will wish to abandon the broad thrust of its recent labour market policy development. Changes in this area were designed to help foster a more flexible, efficient and demand-sensitive market for skills in Canada. Previously, it was often feared that community colleges, which received the substantial majority of federal training expenditures until the mid-1980s, sometimes provided out-of-date and excessively expensive training. By permitting individuals to decide where to pursue training opportunities, and allowing funds to be expended in lower-cost alternatives, federal policy has been designed to alleviate this situation.

It should nevertheless be possible to preserve these features of federal policy while addressing the desire of sector councils for a more stable funding and institutional environment.

For instance, the federal government should give careful consideration to making funds available to sector councils for the delivery of training programs. This would allow the councils to have direct control over enrolment in courses that they have designed, and to monitor training standards closely. Because Ottawa has transferred, or offered to transfer, most of its training expenditures to the provinces, such an initiative could be undertaken in conjunction with the provinces. The federal government might also consider providing additional funds to sector councils, on a project basis, to develop a delivery infrastructure; and it should ensure that skills imparted in these new sites are fully eligible for the federal education and training tax credits and exemptions previously described. An initiative of this type would also help sector councils address a second concern that now preoccupies them – their financial needs.

Until the mid-1990s, sector councils received operating grants from the federal government. This provided them with a stable budget; councils could obtain additional public monies on a project basis in exchange for developing new courses and performing their other responsibilities. While the councils still have access to this project-based support, Ottawa has restricted the availability of operating budget support since 1995. In general, this is now accessible only for a limited number of years after a sector council is created. Thereafter, councils are expected to support themselves by supplementing their public income with contributions from their private sector partners, by developing and marketing additional services for the private sector, etc.

From the government's viewpoint, this change reflected an important distinction between "public goods" and "private goods" in this policy field. The former refers to goods and services that benefit the Canadian economy or society as a whole, but that are unlikely to be furnished in an adequate supply by the market alone because market incentives do not provide private actors with sufficient incentive to produce that supply. Private goods are those that entirely benefit their private sector producers; these should therefore be supplied entirely by the latter without government support. While the federal government agrees that improving specific skills represents a public good in part, it also believes that sector-specific skills are a good the benefit of which accrues disproportionately to employers and employees within the sector: they earn higher profits and wages. The distinction between project funding, which Ottawa provides, and operating expenses, which it does not beyond the start-up period, attempts to reflect this mixed situation; public money should be available to sector councils on a case by case basis, but a private contribution should also be required.

This change nevertheless has had some negative consequences for sector councils. Some have not survived this transition; when government support for their operating budgets was removed, they were unable to generate sufficient alternative sources of revenue. The number of sector councils has continued to grow since this revised funding policy was developed. There were 22 councils in February 1997; there are now 28. But four of the former no longer exist – those that served the automotive parts, electrical and electronic products, graphic arts and grocery producer sectors. Other sector councils are considered to be in danger of expiring in the foreseeable future. While a lack of operating grants from Ottawa may not alone have caused these developments, it is likely to have contributed. Of course, the demise of some sector councils, complemented by the emergence of new ones, is not necessarily a bad thing. Councils that perform their functions effectively will qualify for project assistance and generate additional revenues elsewhere; those that do not perform will likely be denied project funds, and should be allowed to expire. The federal government has stressed that it does not want to support sector

councils unconditionally, and that it expects them to provide tangible benefits in exchange for receiving public funds.

Nevertheless, even the staff of councils that are widely considered to be successful have complained that the lack of operating budget support makes it more difficult for them to function effectively. One reason for this is that the funding policy change has sometimes forced them to market services outside of their sector, and outside of Canada, in order to generate additional market revenues. Councils are then diverted from their core responsibility and may, over time, dilute their sector-specific expertise and their capacity to serve their core client groups. Moreover, it may be quite difficult, in practice, to distinguish between public and private goods in the sector skills field; and the differentiation between project and operating funds may at best be a very imprecise proxy for this distinction.

In Quebec, which has developed its own sector committees, these bodies receive operating budget support permanently from the province. The federal government may, however, consider that adopting a similar policy is incompatible with its desire to expose sector councils to the need to perform to a high standard and to seek private sector support. In this case, an alternative policy would be to permit overhead costs to be deemed a permissible expense for sector council projects funded by the federal government. This innovation would reflect the reality that much of a council's core operation exists to support its capacity to complete projects that it has undertaken on a contract basis. Sector councils that compete successfully for project support enriched in this way would therefore be more secure financially. Those that perform poorly, and generate little project funding or additional private sector support, would still be exposed to the financial risks that are the consequence of their poor performance. It is hoped that the federal government would not allow internal regulatory constraints on funding to be obstacles to the development of more effective funding mechanisms for sectoral councils.

Some sector councils have raised another concern about their existing project-based arrangements with Ottawa. They believe that the accounting standards that they are held to are overly onerous, forcing them to document their expenditures minutely; this detracts from the time and energy available for developing sector skills, their core mandate. While the federal government cannot suspend its normal accountability standards in monitoring sector councils' contract compliance, it should nevertheless address this problem. If more flexible accounting practices are available that meet these standards fully, sector council effectiveness would be improved.

It is also worth considering whether the sector council model should be extended into sectors of the Canadian economy where it has not yet been applied. The Report of the Expert Panel of Skills proposed that the federal government pursue this course of action and encourage the development of councils where feasible. Increased financial support for overhead costs – either by extending the initial period during which a council's operating budget is supported by Ottawa or, as suggested previously, by permitting an overhead component to be included in project funding – could accelerate the emergence of new sector councils. The Expert Panel also noted that some sectors are inherently stronger than others because they include more large firms or are currently enjoying greater profitability; where this is not the case, the federal government may consider extending somewhat the generosity of this additional financial support.

One remaining concern is of particular importance for the future performance of sector councils: their relationship with provincial governments. The sector councils discussed here were

created by the federal government, and what public funds they receive still mostly come from Ottawa. Rather than rely on these federally-sponsored councils, Quebec has decided to create its own network of sector committees; there are currently 26 of these, many in sectors that also host a federally-sponsored council. Other provinces have avoided creating sector councils, and grant to the federally-sponsored councils no special standing as representatives of sectoral interests or as a conduit for developing and delivering sectoral skills. The Ontario government has made it a priority to develop skills in important sectors of that province's economy, and to liaise with these actors in these sectors in doing this; but Ontario has not committed itself to using the federally-sponsored councils to achieve these goals.

It should be a priority for federal and provincial governments to better streamline and coordinate their sector-specific active labour market initiatives. Only if they do this will the expenditure of public monies have a maximum impact on the quantity and quality of skills in these key sectors. In Quebec, this objective may be pursued through heightened cooperation between federal sector councils and provincial sector committees. Elsewhere, it would be appropriate to address the concerns of relevant provinces about the functioning of specific existing sector councils. Hopefully, this would result in these councils becoming central clearinghouses for all publicly- and much privately-funded skills development for their sectors. Federal authorities and the sector councils themselves may have to show a heightened concern for provincial needs if this is to be accomplished. Provincial authorities, for their part, may wish to reassess their views of sector councils and, where possible, share fiscal and administrative responsibility for them with Ottawa and the private sector.

Developing Better Labour Market Information

The collection and dissemination of information about labour market trends is of crucial importance for this market's effective performance. Because modern labour markets are large and complex, it is often very difficult for workers to identify good career opportunities for themselves, and for employers to identify appropriate employees. This can result in considerable inefficiencies, with workers being employed at tasks that are less productive (and remunerative) than they are capable of, and with firms failing to access an adequate supply of human capital.

Consequently, the federal government in Canada has long played a central role in conducting research on current labour market trends and in disseminating this information to workers and employers. Historically, these activities were central to its National Employment Service, as this emerged after World War Two, and supported the job search activities of the federal government's network of Canada Employment Centres (now called Human Resource Development Centres) across the country. Until recent years, finding employment or funding training for unemployed persons was the main preoccupation of this network. However, it is now widely believed that labour market information must also serve the needs of the employed and of those not currently in the labour force. With the rapid pace of technological change and the new skill sets workers need to cope with this change, learning is seen as a life-long preoccupation. The federal government conducts a number of surveys to collect information about labour market conditions. The most prominent of these is the Labour Force Survey, a national survey that provide detailed information on the characteristics of the Canadian labour force.

Provincial governments have not been as active in collecting and analysing labour market information. But Ottawa's 1996 decision to devolve responsibility for an important part of its active labour market programming (most of that part financed from the Employment Insurance

account) means that the provinces will have a greater need for data of this type in the future. Consequently, it will now be particularly important that federal labour market data are gathered and made available to the provinces in a manner that they can use effectively, and that both levels of government attempt to develop common approaches to collecting and disseminating this data. This need for cooperation was acknowledged by both levels of government in the series of bilateral Labour Market Development Agreements (LMDAs) that Ottawa signed with all provinces and territories except Ontario during the late 1990s. These provided the framework for devolving the labour market measures previously mentioned to those provinces that wished to take up these responsibilities.

Overall, Canada is considered by many observers to have one of the best labour market information systems in the world. Nevertheless, there are many aspects of the system that should be improved upon. In the words of one participant in the Centre for the Study of Living Standards' Roundtable on Creating a More Efficient Labour Market, "changes should be undertaken to make the system more timely, accurate, relevant and accessible." The following discussion will first review possible improvements in the quality of data that is available from existing labour market research, then address changes that would improve the usefulness of this information, and finally consider steps that would increase the resources for analysing labour market data in Canada.

A primary concern regarding the first of these areas has been that the Labour Force Survey does not provide data that are detailed enough at the provincial, sub-provincial and sectoral levels because of the survey's relatively small sample size. Yet for a number of reasons it is now essential that data be available at these levels. First, most job seekers are looking for work only within their own locale or within a particular region of a province. Similarly, employers can normally expect to find most new recruits from within this local and regional pool. Second, provincial and sub-provincial data is of particular value to provincial governments, especially in provinces where LMDAs conferred significant new responsibilities on them. These provinces are now taking on heightened responsibilities in providing employment services, including career counselling, to their residents. Finally, it has been proposed elsewhere in this report that sector councils continue to play an important labour market policy role. To do this effectively, they will need more accurate data than is now available about existing skill sets and hiring trends within their sectors. Currently, Statistics Canada has about 150 employees whose primary responsibility is to collect and analyse labour market information. If more disaggregated data are to be made available, additional resources may have to be devoted to this task.

One innovative attempt in the development of a framework for local labour market information has been made by the East Central Ontario Training Board.² It has recently produced a framework for a comprehensive local labour force and economic development information system. It consists of three mutually supporting pillars: a local analysis and forecasting model; a comprehensive employer database; and an employer outreach program. This framework may be of relevance to other local areas in their development of local labour market information.

² See "Towards a Comprehensive, Local Labour Force and Economic Development Information System for Ontario, A Report on the Concepts and Methodologies of the *East Central Ontario Training Board Model*" prepared by Scott Lawson, Executive Director and Eric Bloom, Labour Market Analyst for the Ministry of Training, Colleges & Universities Community Relations Unit, August 2000 (www.focusontraining.com).

Another deficiency of current labour market information in Canada is that it relies excessively on a relatively static occupational classification system, rather than attempting to measure skill sets, a more dynamic feature of the labour market. The Labour Force Survey and most other instruments used by the federal government, are based on the National Occupational Classification (NOC), which relies on occupational categories that are often defined quite generically. As was pointed out in *Stepping Up*, the report of the Expert Panel on Skills, this is an increasingly problematic approach to classifying work in today's fast-changing labour market.

As an alternative, the panel recommended that categories focus more on the skill content required for different forms of employment. Skill requirements often change rapidly even in occupations whose title remains the same for lengthy periods. Consequently, the current occupation-based classification system frequently is of little use to counsellors or job seekers attempting to identify what is required to fill positions. This problem is particular great in new economic sectors, such as the information technology field. The NOC has been updated only very slowly, making it of little use in these more dynamic sectors where, coincidentally, the need for accurate data is most compelling and where technical skills shortages often are acute. It should be noted, moreover, that non-technical skills, such as communication and managerial aptitudes, are also frequently identified as essential, even in technically advanced occupations. Based on these considerations, thought should be given to extensively revising the NOC framework. Human Resource Development Canada's recent Essential Skills Project represents a step in this direction in relation to scientific and technical occupations. This exercise should be continued and extended.

In some industry sectors, these deficiencies have resulted in the development of new classification systems designed to meet the specific labour market information needs of those sectors. This development is understandable, in light of the compelling problems faced by some new sectors in identifying skilled workers; but it has the undesirable effect of creating mutually incompatible labour market information systems in different areas of the economy. This problem is also now evident between federal and provincial labour market administrations. When LMDAs were being signed, federal and provincial governments undertook to develop data collection and reporting methods that were sufficiently comparable to permit an efficient exchange of information. The Forum of Labour Market Ministers (FLMM), which includes federal and provincial ministers in this field, has committed itself to maintaining and updating such a common framework. But follow-up reports on the LMDAs suggest that considerable work must still be done before this goal is accomplished. It would be much more efficient if all relevant actors in the labour market information field (federal and provincial governments, counsellors, and the private sector) used a common classificatory system. This would maximize the likelihood that information flows quickly and accurately among these actors. Therefore, federal and provincial governments should be encouraged to continue working towards compatible data collection and dissemination arrangements, and they should consult closely with the private sector in doing this. One possible model of private sector involvement is provided by the work of the Software Human Resource Council. Working cooperatively with HRDC, it is developing a new skills-focussed occupational classification for its sector.

Other steps could also be taken to improve the comprehensiveness of Canada's labour market information system. Statistics Canada's Help Wanted Index, while useful for tracking trends in labour demand at the national, provincial, and metropolitan levels, does not incorporate information from most new computer-based data sources. It is still largely based on newspaper advertisements. If this is not changed, the index will become increasingly anachronistic, and less

useful for job seekers. A more comprehensive approach to identifying local employment opportunities would be to create a “direct vacancy-monitoring survey” instrument. Adopting such a tool across the country would no doubt be expensive, but it would be of invaluable benefit to job seekers, their counsellors, and employers. Finally, the timeliness of data would be enhanced considerably if federal and provincial governments were willing to extract labour market information from the wealth of data that they already collect from Canadians for other purposes. This includes evidence from the income tax, employment insurance and social assistance systems. If this is done, however, it will be essential that existing technical barriers be overcome and that the public be assured that the data is being used in a manner that does not threaten the privacy of individuals.

Beyond these steps towards improving the quality of labour market information, there is also a need to make this data more accessible and useful for job and skill seekers. Many practitioners in the labour market field complain that although there is a wealth of data available, much of it is unintelligible or of little use to persons engaged in the practical task of seeking employment or attempting to identify a skill worth acquiring. The quality of guidance counsellors, the primary contact point that many people have with this data, raises concerns. There are no broadly acknowledged standards that counsellors must meet in Canada before assuming this position. Many may therefore lack a basic understanding of how labour markets work, of how to assess the potential value of acquiring a particular skill or pursuing a specific skill, and of how to advise specific individuals about pursuing opportunities. Federal and provincial governments should consider developing standards for counsellors to ensure that they are able to perform these tasks.

Some of the changes reviewed above would also help individuals identify opportunities. A more skills-focussed employment classification system would alert job seekers more quickly to areas where they might be able to seek employment and to the aptitudes that they should acquire if they hope to be hired in these positions. Much labour market information is not now presented to the public in a manner that makes it readily digestible.

A final area of concern regarding accessibility is that although there are many sources of labour market information in Canada – by one count, approximately 3000 – these are poorly integrated. Job seekers familiar with some of these are often unaware of, or cannot gain access to, others. The concept of a “single window” labour market information system has been proposed as a solution to this problem, i.e. a single, integrated nation-wide source of information for the public about jobs and skills. Some commentators have expressed skepticism that such a system could ever be constructed, or is even desirable. Nevertheless, most agree that there is a compelling need for much greater integration among the existing data sources than now exists. HRDC has already taken some steps to help inform the public about some of these sources. It recently published a document entitled *100 Top Internet Sites for Learning and Employment*, a useful compendium of information about job and training opportunities; this was circulated in major national newspapers. There is also considerable potential for further integration of computer-based data sources, which can provide links to related sources, etc. Even if a single, fully-integrated system is impossible, governmental and private sector actors at all levels should strive to create much stronger links among data sources.

The third broad area of concern regarding labour market information addresses the supply of analytical resources available for use in this field. As was noted above, while Statistics Canada leads the way in this domain, its senior officials acknowledge that its resources are

modest. The report of the Export Panel on Skills recommended that these resources be expanded, and that the department host a new Centre for Labour Market Statistics. This body would have increased resources for labour market data analysis; it would work cooperatively with the provinces to improve this analytical work and, in particular, to develop the improvements in labour market categorizations that were alluded to previously. Both levels of government should attempt to allocate more resources to labour market research where possible.

A large number of Roundtable participants criticized the current pricing policy of Statistics Canada for labour market information. Unlike many national statistical agencies, Statistics Canada does not provide labour market information without charge on its website and charges high prices for its publications. This is a major barrier to the use of existing data for many. Participants strongly recommended that the federal government ask Statistics Canada to revisit its pricing policy with the objective of making labour market information more affordable.

The Role of Immigration in Meeting the Needs of the Labour Market

Canada has always relied heavily on immigration to provide itself with a substantial pool of skilled workers. John Porter documented this pattern in his 1960s study *The Vertical Mosaic*. In recognition of this connection, for many years the federal government housed its main labour market and immigration bureaus in the same department, Employment and Immigration Canada. While they are now separate, HRDC, which now administers employment programs, continues to play a role in immigration issues.

Porter's analysis continues to be relevant today, particularly because native-born Canadians represent a shrinking pool of potential labour market recruits because of the country's low birth rate. Between 1991 and 1996, persons born outside of Canada accounted for fully 71 per cent of net growth in Canada's labour force. The figure was lower in such highly skilled fields as computer engineering and programming, and systems analysis; but at approximately 30 per cent, immigrants accounted for a significant component of employment growth in these areas as well. As Canada's population ages, its labour market participation rate would fall precipitously during the next twenty-five years without immigration. The current rate of immigration, if continued, will dampen, but by no means eliminate, this decline. Immigrants to Canada are quite competitive with native-born Canadians in their level of education. Recent immigrants are more likely than a comparable cohort of native born persons to hold a university degree.

It should be noted, however, that most immigrants to Canada are not selected primarily because of their skills. The economic category of immigrants, chosen for their skills, has grown significantly as a share of all immigrants to Canada since 1980. The combined total of immigrants from the other broad categories – family class and refugees – has, by contrast, largely stagnated in numerical terms since 1980. Nevertheless, economic immigrants continue to make up only about 25 per cent of the total. Skill levels are often much lower among family class immigrants and refugees, as is the likelihood that these individuals will enter and remain in the labour force.

Until the 1990s, it was possible to paint a generally optimistic picture of the lives of immigrants once they came to Canada. While earning less than the Canadian average when they arrived, their relative earnings rose rapidly subsequently. After a decade or so, their earnings caught up to, or exceeded, those of native-born Canadians. During the 1990s, however,

immigrants did not do as well. The earnings of immigrants one year after arriving in the country declined in relation to the Canadian average throughout that decade. While economic immigrants continued to do better than the other categories of immigrants, their performance also worsened. Indeed, between 1980 and 1996, economic category immigrants went from earning incomes significantly above the national average (more than \$5,000 higher in 1999 dollars) in 1980, to earning about \$7,000 below that average in 1996. At the same time, many sectors of the Canadian economy that require highly skilled workers continued to experience chronic shortages throughout the decade; and firms in these sectors complained that Canada's immigration law and practices make it very difficult to attract qualified foreign workers to fill positions.

In light of this very mixed profile, it is likely that two quite different pictures exist for immigrants in Canada's contemporary labour market, and that these require distinctive policy responses. On the one hand, highly skilled immigrants are in short supply in some critical high technology sectors of the Canadian economy; while on the other hand, many less skilled immigrants are encountering more difficulty adjusting to Canada's labour market than in the past.

Regarding the former problem, many close observers of immigration administration complain that it is difficult to bring highly skilled foreign workers into the country. Particular problems appear to exist in respect of Canada's temporary foreign worker program, which is designed to allow non-Canadians to enter the country quickly and for relatively brief periods to take up employment in areas where shortages exist. Immigration lawyers who specialize in this field, and business observers, contend that it is relatively difficult, and slow, to get workers into Canada using this program. Many of Canada's economic competitors have more flexible rules; consequently, they allege that Canada often loses the opportunity to obtain the services of these valuable workers.

Citizenship & Immigration Canada certainly must screen persons entering Canada, including those seeking entry under the Temporary Foreign Workers Program, to ensure that they comply with health and security standards. Where employers have already identified a worker as possessing skills that they need, it may be appropriate for Citizenship and Immigration Canada to relax its own assessment of whether the worker's skills are required in Canada. It is likely that employers, who often identify such workers at considerable expense to themselves, are able to assess this matter accurately. Ottawa should also consider taking other steps to ease the process required to bring a temporary worker into Canada, although such a move must not neglect to consider that Canadian workers have a right to a certain level of protection from foreign workers willing to accept lower wages. If other developed nations have adopted faster procedures that do not jeopardize fundamental health and safety objectives, and do not significantly undercut the wages of Canadian workers, the federal government should consider adopting similar measures here.

Apprehension has been expressed about the fact that the processing of permanent economic immigrants has also slowed in recent years. One possible cause of these increased delays is that the number of overseas immigration officials was cut during the 1990s as part of the federal government's Program Review. If this is true, the federal government should consider increasing Citizenship & Immigration's overseas immigration staff. Otherwise, it should take whatever steps are necessary to speed the processing of skilled immigrants.

In identifying and processing skilled workers, temporary or permanent, the federal government should work closely with Canada's private sector, which is well positioned to identify areas of skills shortage and to evaluate the merit of individual applicants. A very promising model regarding temporary workers was developed in recent years by the Software Human Resource Council and is worth emulating. This sector council used the expertise of its private sector membership to ascertain areas of significant labour shortage in the software industry. It then developed a pilot project designed to identify foreign individuals who possessed these skills and to find Canadian companies willing to sponsor them. Over a twenty-month period, some 4,000 workers entered Canada under this arrangement; over half of these were able to work in Canada within one week of an initial application. The federal government should consider applying the lessons of this pilot project more generally, by requesting that sector councils in other areas that are experiencing skills shortages sponsor similar initiatives. Closer consultation with private sector representatives may also help Citizenship and Immigration to expedite the identification and processing of permanent economic immigrants to Canada.

In *Stepping Up*, the Expert Panel on Skills recommended other steps that the federal government should consider taking in order to enhance the quality of skilled immigrants in Canada. At present, foreign students who study at a Canadian university typically must leave the country and apply for permanent resident status in Canada from abroad, if they wish to work in Canada after completing their program. Australia has created a "rapid conversion" process that allows these students to apply for permanent status from within the country. Canada should consider adopting a similar practice. Currently, most foreign graduates leave the country and do not return; the proportion of these who stay may increase if a rapid conversion policy is adopted.

The Expert Panel's report also proposed the abandonment of the current immigration rule that stipulates that academic postings at Canadian universities must be advertised to Canadian applicants first, before foreign candidates can be considered. In scientific and technical areas where the pool of highly qualified candidates is modest, the federal government may wish to consider abandoning this policy. The initial purpose of this rule when it was created in the 1970s was to ensure that a majority of academic positions in Canada were held by Canadians. This goal has been accomplished.

A second set of policy concerns pertain to immigrants who do not possess skills that are in high demand in the Canadian labour market. As was previously noted, immigrants to Canada in general experienced worsening labour market outcomes, in relation to the Canadian average, during the 1990s. Macro-economic conditions during the early- and mid-1990s, including slow growth and a persistently high unemployment rate no doubt contributed to this pattern. But other factors were also at work. There is evidence that this deterioration was felt disproportionately by immigrants with few skills. Although economic immigrants are more likely than others to enter the labour market, persons whose entry to Canada was based on considerations other than skills (dependents of economic migrants, as well as family class immigrants and refugees) made up 57 per cent of immigrants who intended to work in Canada in 2000.

The earnings of these categories of immigrants were far below those of economic immigrants. In 1996, non-economic immigrants earned approximately \$13,000 per year (in 1999 dollars), compared with almost \$23,000 for economic immigrants. Immigrants from Africa, eastern and southern Europe and east and south-east Asia also earned far less than did migrants from the United States and northern and western Europe in the mid-1990s. An important cause of this difference is the level of education attained by these different groups. While less than 7 per

cent of immigrants from the U.S. and northern and western Europe benefited from less than ten years of education in 1992, this proportion was much higher for the other areas previously mentioned, ranging from about 17 per cent for African immigrants to almost 25 per cent for those from east and south-east Asia. But education levels do not account for all of the substantial differences in income that exist for immigrants from these different groups of nations. University-educated immigrants from the U.S. and northern and western Europe earn considerably more than do university-educated persons from the other areas previously identified. This suggests that factors other than education levels account to a significant degree for the lower incomes experienced by the latter group: their credentials are not accepted as readily, and they are subject to discrimination. They are also less likely to benefit from the informal networks that can help immigrants establish themselves in a new country.

A number of initiatives are worth considering to improve the above patterns. First, many immigrants, especially non-economic ones, may need assistance in acquiring basic skills. These include an adequate working knowledge of English or French (many family class immigrants and refugees lack this), completion of secondary school education and familiarity with work practices that are typical in the Canadian labour market. Particular steps may have to be taken to attract immigrants to many areas of skills training that traditionally have not been open to them. For instance, immigrants historically have been under-represented in apprenticeship programs. British Columbia's Industry Training and Apprenticeship Commission (ITAC) has taken steps to attract more new Canadians to apprenticeable trades. These efforts should be reinforced and emulated elsewhere.

However, since even university-educated immigrants from non-traditional nations experience difficulty finding adequately remunerative employment, these steps alone probably will not suffice. Prior Learning Assessment and Recognition (PLAR) may provide an effective means for qualified immigrants to receive proper credit for their skills in the Canadian labour market. Many professional certification bodies in Canada have been reluctant to accept foreign credentials, especially if these were earned in less developed nations. Similarly, university degrees earned in these countries are often not considered to be equal in value to those earned in North America or Western Europe. PLAR could be used to review foreign credentials carefully and, where appropriate, officially recognize that these foreign credentials are equal in value to those earned in Canada. The Province of Ontario has taken an important step in this direction by offering PLAR to recent immigrants to the province. Since this arrangement is voluntary (professional certification authorities are not obliged to accept this credentialing), the private sector will also have to cooperate if recent immigrants are to receive full value for their skills. The federal government should encourage much wider use of PLAR by the provinces and the private sector.

Finally, it is hard to escape the conclusion that discrimination continues to impede the ability of many new Canadians to gain satisfactory employment. As the data previously reported clearly indicates, African and Asian immigrants, most of whom belong to visible minorities when they arrive in Canada, fare much worse on average than do their American and northern and western European counterparts; this is true even when university graduates alone are considered. Governments will have to continue using publicity to overcome the effects of bias and to enforce effective and reasonable legal remedies to dissuade discriminatory practices.

Making the Apprenticeship System More Effective

Apprenticeship has long been an important component of labour market policy in all Canadian provinces. Apprentices receive training in two venues: on-the-job (usually about 80 per cent of an apprenticeship is completed here) under the supervision of a journeyman, and in a classroom (usually a community college), where technical skills are acquired. An apprenticeship typically requires between three and five years to complete. Apprenticeship is administered by the provincial governments. But the private sector is involved in advising government about the content of an apprenticeship, and in setting the examinations that apprentices must pass to receive certification.

To facilitate inter-provincial labour mobility it has been necessary for provinces to cooperate in an Interprovincial Standards Program (commonly called the “Red Seal program”) to create common occupational standards for apprenticeships across the country. This undertaking is overseen by a Canadian Council of Directors of Apprenticeship (CCDA), which includes federal representatives. Forty-four apprenticeable trades are now designated as Red Seal trades. Private sector representatives designated by each of the provinces participate in this standards-setting process. Besides its involvement with the CCDA, the federal government also sponsors an advisory Canadian Apprenticeship Forum. Ottawa also plays an important role in funding the classroom component of apprenticeships. Apprentices qualify for Employment Insurance while receiving this instruction.

To a degree, apprenticeship, like the sector councils previously discussed, fills an intermediate position between government and the private sector. Unlike the former, it permits training recipients to benefit from hands-on knowledge acquired at the work site, obviating the often-noted problem that graduates from public training institutions have trouble adapting their knowledge to the “real world”. In comparison with individual private firms acting alone, apprenticeship provides skills that are portable and of recognizable high quality; they are likely to be of enduring value to employers, workers and the economy in general. For these reasons, apprenticeship continues to be seen by most informed observers as a valuable part of Canada’s active labour market infrastructure.

Nevertheless, the apprenticeship model is now encountering some difficulty; there is evidence that it does not contribute as much as it could to Canada’s stock of human capital. The most visible evidence of this is that the number of participants in apprenticeship, and the number of those who complete their certification, has been declining for a number of years in most provinces. For each of these measures, 1991 was a high watermark. According to data compiled by Statistics Canada from administrative records maintained by the provinces, between 1991 and 1998 enrolment in apprenticeship across the country declined from 192,963 to 177,741; the number of completions fell from 19,724 to 16,476 during the same period. Meanwhile, Canada’s economy continues to grow, and the need for skills of the type provided by apprenticeship has likely been rising.

Moreover, apprenticeship model has been very slow to move beyond its traditional home – especially in the construction trades – to the occupations in rapidly growing technology-intensive industries, particularly in the service sector. There is good reason to believe that many of these newer industries could also hope to benefit from acquiring a stock of workers whose skills reflect a blend of on-the-job and technical and theoretical training. It should be noted, however, that apprenticeship is much more extensively used in some provinces than in

others. Alberta stands out in this respect. In 1998, it was home to over 21 per cent of all apprenticeship participants, while its population is just over 9 per cent of that of the country.

More grounds for apprehension are provided by statistics on completion rates. Although the data may not be conclusive, it would appear that apprentices are only about half as likely to complete their program compared to individuals who enrol in a community college diploma program or who seek a university degree. Moreover, the ratio of those completing an apprenticeship to those enrolled in one has been falling since at least the late 1970s. The demographic makeup of the apprenticeship population also causes concerns. Women, Aboriginals and visible minorities are substantially under-represented among apprentices.

Many of the possible remedies for the above problems would have to be implemented by provincial apprenticeship authorities, working in conjunction with the private sector. Nevertheless, the federal government can also play an important role. This could be done by addressing concerns, discussed below, about some provisions of the Employment Insurance system and about features of federal tax law that affect apprenticeship. But Ottawa can also play a broader role in assisting the provinces to address other problems; this can be done through its participation on the CCDA, by encouraging nation-wide discussion of apprenticeship problems by the Canadian Apprenticeship Forum and, perhaps, by sponsoring and disseminating the results of research on “best practices” in apprenticeship in Canada and abroad.

According to many informed observers, a persistently negative perception of apprenticeship in Canadian society is a major cause of stagnant participation rates. Potential apprentices, and their parents, tend to see a university education as much preferable, as it is likely to lead to careers in white collar and professional settings. Apprenticeship, by contrast, typically is associated with blue-collar employment that is perceived to have a lower status. Only a concerted effort by all levels of government, and by the educational system, will have much prospect of addressing this negative perception. A public relations effort designed to do this nevertheless is advisable; such a campaign could point out to Canadians, among other things, that starting salaries for many who complete apprenticeships are quite high, and that long-term career prospects are very good. Greater use of “laddering” could also be of use in changing these old and negative stereotypes. In some European countries, for instance, it is possible to use qualifications acquired in an apprenticeship program as credits towards completion of a subsequent university degree. Steps in this direction would necessitate much greater cooperation between community colleges and universities than is now typical; provincial authorities may wish to encourage this.

Cultural attitudes could also be altered if young people have an opportunity to be exposed to pre-apprenticeship programs in high school. These are already available in some provinces, and should be extended. It is important, moreover, that such programs not be used in high school as a kind of “lower stream” for less able students. Doing this only serves to reinforce the stereotypes noted above. Moreover, the skill level required in many apprenticeable trades is now rising rapidly. In order to ensure that future apprentices have appropriate preparation in mathematics and science, pre-apprenticeship education must maintain high standards and attract solidly qualified students.

It is also essential that community colleges be compensated adequately for the technical training that they provide to apprentices. In some jurisdictions, apprenticeship training programs are operated by colleges at a financial loss.

Sustaining interest in apprenticeship within the business community will require that individual programs be subject to constant review to ensure that they are meeting labour market needs. The provincial apprenticeship authorities and the federal government should use the Canadian Council of Directors of Apprenticeship to ensure that occupational standards for each trade continue to be maintained. In so doing, they should bear in mind the recommendations of the Report of the Expert Panel on Skills. The Panel stressed that many Canadians enter the workforce with insufficient “soft” skills, i.e., an inability to deal effectively with clients, work in teams or use problem-solving skills in practical settings. Apprenticeship should afford its participants the opportunity to hone these aptitudes, as well as the “hard” skills required to complete particular specialized tasks.

Other possible lessons about how to improve participation rates may be available from a closer examination of Alberta’s relative success in this respect. Administrators in that province stress that they have stimulated greater demand for apprenticeship among employers by giving them greater control over programs. How this has been accomplished, and how the supply of apprentices has also been maintained at a more robust level than in other provinces, is worth closer examination by governments elsewhere.

The federal government should consider a number of specific program adjustments that would make apprenticeship more appealing. From 1992 to 1996, apprentices entering the institutional component of their studies, unlike other EI claimants, were not subject to a two-week waiting period when first registering for Employment Insurance benefits. They now are, which contributes to the significant financial sacrifice that they face while participating in apprenticeship. Provincial authorities also complain that Employment Insurance cheques are often quite late in reaching claimants, which aggravates this hardship. Adjustments in federal tax policy could also be of some assistance. In particular, Ottawa should consider granting tax-free status to the often quite expensive tools that apprentices must purchase at the beginning of their training, and to exempting apprentices who are in receipt of Employment Insurance benefits from paying income tax.

These measures would also encourage apprentices to remain registered until they complete their program. Other steps could also promote this goal. Some apprenticeships apparently are interrupted because the apprentice loses his job before the course of study is completed. Provincial authorities in Ontario hope to address this problem for some apprentices by setting up local apprenticeship committees, consisting of local firms, who assume the role of “virtual employer” for apprentices until they have completed their certification. Some labour unions have experimented with similar initiatives. This option should be considered for adoption in all jurisdictions.

To reduce the number of apprenticeships terminated because of job loss, careful consideration should also be given to the possibility that some apprentices may be taken on by firms only because of unusually robust demand during a peak in the business cycle. In these cases, completion of the apprenticeship would, in any case, result in a surplus of certified tradesmen during more normal economic times. To address this problem, provincial authorities may wish to discourage new enrolments in particular apprenticeships if there appears to be no longer-term need for additional tradespeople in specific occupations.

The issue of completion rates raises other questions. In trades that do not require compulsory certification, work is often plentiful for tradespersons who have not completed their apprenticeship. It may be impossible, and unnecessary, for governments to attempt to discourage these voluntary terminations. However, greater use of modularization in the apprenticeship system would address the unfortunate fact that such apprenticeship “drop-outs” now receive no recognition for those parts of their course that were completed. Modularization permits apprentices to receive accreditation in stages; apprentices still have a strong incentive to complete the course of study (to receive full certification), but will have acquired intermediate credential recognition if they leave part way through.

In considering the fostering of apprenticeship programs outside of the industries in which they have traditionally been used, one should bear in mind that this model of training may not be suitable in all sectors of the economy. Nevertheless, if public authorities conceive of apprenticeship flexibly, and if the private sector is given the lead role in adapting it to new sectors, the model may have very wide applicability. Recent developments in the software sector are instructive in this respect. The Software Human Resource Council, a sector council, is now developing an apprenticeship program in conjunction with British Columbia’s ITAC. Each of these bodies is overseen by private sector actors, who are developing a highly flexible apprenticeship model, which is necessary in a sector that experiences constant and rapid change in the skills required of employees. By allowing the software sector to proceed in this way, the BC government has alleviated initial suspicions in the sector that apprenticeship was inapplicable there. These apprehensions reflected the private sector’s knowledge that apprenticeship would have to look very different in the software sector than it does in most construction trades if it is to succeed there.

Other modifications in the traditional apprenticeship model might also help it develop in new sectors. At present, apprentices usually need to be away from the work site for fairly long periods of time (called “block release”) to complete the classroom component of their studies. This is often inconvenient for employers and impractical, as well as costly, for apprentices. Adjusting programs to permit apprentices to be away from work more frequently but for shorter periods would alleviate this problem. If this is done, the federal government should then consider finding new ways to fund apprentices because now study periods would often be too short to permit apprentices to make full use of Employment Insurance benefits. It is also sometimes impractical for apprentices to attend colleges far from home to receive their classroom instruction. The technologies are now available to permit greater use of distance learning as a substitute for classroom instruction in completing the technical training component of an apprenticeship.

A concerted effort will be required on the part of the private sector and governments to attract and retain more apprentices from among women, visible minorities and Aboriginal people. Here too, addressing enduring public attitudes will be a crucial issue. Pre-apprenticeship programs, and government public relations efforts, should highlight the past success in the trades of women as well as men, and of people from a wide range of backgrounds. Flexibility in designing apprenticeships would again be an asset in reaching some under-represented populations. In British Columbia, for instance, it was discovered that the relatively specialized nature of most apprenticeship programs in the construction trades largely precluded on-reserve Aboriginals from participating in them. There is rarely enough work on reserves for tradespeople with a specialization in one of these trades. Consequently, ITAC designed a new Building Maintenance Worker (BMW) apprenticeship that includes elements from a number of different

construction trades. Some concern was raised about the possible “watering down” of the traditional trades that might be implied by this model; nevertheless, ITAC was able to develop a design for the BMW apprenticeship that addressed these concerns.

Greater use of Prior Learning Assessment and Recognition (PLAR) could also play an important role in easing access to apprenticeship for under-represented groups, especially from among immigrant communities. PLAR permits individuals who have gained equivalent qualifications to those formally recognized in Canada’s educational institutions to receive accreditation for them; this, in turn, permits them to work in occupations where these credentials are required, or to enter into training and educational programs at an appropriate level. Where appropriate, PLAR may permit immigrants and others to receive apprenticeship certification or to receive advanced standing within an apprenticeship program.

Conclusion

This report has presented a synthesis of the discussion from the CSLS Roundtable on Creating a More Efficient Labour Market. As noted by the rapporteur Arthur Kroeger at the end of the day, a key message that came from the discussion was that the recommendations in the Expert Panel on Skills report in general made sense and that the government should proceed with their application. The discussion at the Roundtable also revealed much common ground among the stakeholders on both the importance of the skills agenda for Canadians, and on specific policies that should be followed to meet this challenge. These policies have been outlined in this report. It is hoped that these recommendations will be given serious consideration by governments in their development of policies to make the labour market more efficient.

Proceedings

Program

CSLS Roundtable on Creating a More Efficient Labour Market in Canada February 26-27, 2001, Chateau Laurier, Ottawa, Ontario

MONDAY, FEBRUARY 26, 2001

- 5:00 PM Registration Opens (Mezzanine Foyer)
- 5:30-6:45 Reception, cash bar (Palladian Room)
- 6:45 **Keynote Address by the Honourable Jane Stewart, Minister of Human Resources Development Canada** (Renaissance Room)
- 7:15 Dinner (Renaissance Room)

TUESDAY, FEBRUARY 27, 2001

- 7:30 AM Registration and Continental Breakfast (Laurier Room)
- 8:30 Opening Remarks: Andrew Sharpe (CSLS)
- 8:45 Session 1 Improving the Effectiveness of Sector Councils

LEAD SPEAKERS:

Michael Carr and Doug MacPherson, Co-chairs, Training and Adjustment Committee, Canadian Steel Trade and Employment Congress
Gary Greenman, Executive Director, Alliance of Sector Councils
Jean Charest, Professor, Université de Montréal
Margaret Biggs, Assistant Deputy Minister, National Delivered Programs, HRDC

- 10:15 Break
- 10:30 Session 2 Promoting a More Efficient Labour Market Through Better Labour Market Information

LEAD SPEAKERS:

Noah Meltz, Professor Emeritus, University of Toronto and Member of the Expert Panel on Skills
Margaret Roberts, Consultant
Elaine O'Reilly, Senior Consultant, Canadian Career Development Foundation
Ron Stewart, Director General, Program Branch, HRDC

- 12:15 Lunch (Laurier Room) Speaker:
Lars Osberg, Dalhousie University and President of the Canadian Economics Association, 1999-2000
"A Framework for a More Efficient Labour Market in Canada"
- 2:00 Session 3 Immigration and the Needs of the Canadian Labour Market
- LEAD SPEAKERS:
- Paul Swinwood**, Executive Director, Software Human Resources Council
Alice Nakamura, Professor, Faculty of Business, University of Alberta
Howard Greenberg, Partner, Greenberg Turner
Wilma Vreeswijk, Acting Director General, Labour Market Policy, HRDC
- 3:45 Break
- 4:00 Session 4 Improving the Effectiveness of the Apprenticeship System
- LEAD SPEAKERS:
- Ken Georgetti**, President, Canadian Labour Congress
Robert Sweet, Professor, Faculty of Education, Lakehead University
Richard Johnston, President, Centennial College
Shirley Dul, Executive Director, Apprenticeship and Industry Training, Alberta Learning
- 5:30 Closing Session
- Rapporteur: Arthur Kroeger**
Comments from the Audience
- 6:00 Close of Roundtable

Keynote Address

The Honourable Jane Stewart
Minister of Human Resources Development Canada

to the Centre for the Study of Living Standards Roundtable
 on "Investing in Skills, Canadians and Canada's Future"
 Ottawa, Ontario
 February 26, 2001

Thank you very much Andrew Sharpe. I really appreciate that introduction. Welcome everyone and thank you for coming out this evening. I certainly do appreciate the fact that the Centre for the Study of Living Standards has agreed to give us the opportunity to come together tonight, a little more informally perhaps than you will find yourselves tomorrow. I understand you've had to turn people away so that you can keep the Roundtable format in shape and I think that bodes very well for the interest and the kinds of discussions that will occur tomorrow.

Here in the crowd is my colleague, Ethel Blondin-Andrew. I'd just like to recognize the fact that you, too, are here tonight, another indication of how seriously we in the Department, and certainly the Government of Canada, take this issue, the issue of working together to build a national skills agenda.

Now you're here tonight and then tomorrow to focus on a particular aspect: working together to see if we can find some common ground or some direction to improve the efficiency of the labour market. But as you know, there are other Roundtables that have been formally scheduled as well, one that will be undertaken by the Canadian Policy Research Networks focussed on learning and a third one by the Conference Board of Canada that will focus on creating new opportunities through encouraging more innovation and entrepreneurship in Canada. All this work is essentially to see if we can't as a nation come together more effectively to enhance the skills and learning culture in our country.

I was talking with Shawn McCarthy earlier this afternoon and Shawn said we've been talking about skills for years. David Slater said to me you've had so many initiatives under way and sometimes they just don't get the push. Shawn said what is different now? What's going to change now? And I said well, I think what's different is all the stakeholders are starting to appreciate and view with the same priority the need for us as a country to have a strengthened, more focussed skills agenda.

I came in and Andrew Sharpe was saying that he and Neville Nankivell are agreeing on things, which suggests an interest, and we are starting to see more economic theorists – Tom Courchesne most recently – talk about the importance of human capital. Those conversations are a bit different than they have been in the past. Certainly social policy theorists have always known how important it is to invest in people and what a difference it can make in their lives if they can participate fully in the economy.

The private sector, whether it be the Canadian Federation of Independent Business, and André Piché who issued a report just last week talking about the lack of skilled staff that their membership are finding today and expect to find into the future. The Conference Board itself

who talked about the need for 950,000 new members in the labour force in the coming years. Unions, and some of you I've had the chance to speak with tonight, appreciate the importance of ensuring that your membership have got the tools that they need to continue to do the job that they need to do. And individuals themselves, recognizing the rapidity with the cycle of the creation of new knowledge, the identification and development of new technology and the application of that technology, and how quickly that circle is spinning, and how we all need more and better and faster access to the skills and tools that will ensure that we continue to participate fully in the economy.

Governments, without question. Paul Cappon is here as the representative of ministers of education. We in the federal government recognizing we need a national skills agenda. We appreciate, I think fundamentally, that the countries that are going to be successful in the 21st century are those that are able to ensure that each and every citizen is able to realize their full potential.

Now from an individual's point of view of course this is important. The dignity of work, we know how important that is. The ability to be self-sufficient for ourselves, for our families. This undertaking speaks to every single person living in the country. But there's a bigger message for all of us, the impact on our social framework, our social fabric. If we're going to deal with the issue of poverty we know the best antidote is work, jobs for every citizen.

Perhaps what economic theorists are starting to realize is that economic growth these days is not only about access to capital, it's not only about having natural resources, having a good manufacturing and service sector base. It's not only about getting the fiscal parameters right, managing inflation, having a good debt to GDP ratio and getting the dollar where it's supposed to be. It is really about having a highly talented functional labour force.

The new economy is about ideas. Ideas come from people. Those ideas have to be applied. And it's those applications that then lead to new ideas and it's not just at the high end, the high-knowledge end, although that's critically important, we have to have that research and development done. But it's all the way right through the labour market. Whether it's a server in a restaurant managing new technologies or millwrights on the shop floor.

Many of you know that I come from a background in human resources. Looking at the transitions in the last couple of decades and how we work together, moving away from the assembly line, you know with process controls and cell management and cross-training, individuals required to lead groups and have the soft skills that build teamwork, that build functioning, healthy work environments. These are all changes, moving from the top down style management to a more participatory style of management.

This was indeed one of the things that was recommended to us in this important document *Stepping Up: Skills and Opportunities in the Knowledge Economy* done by the Expert Panel on skills for the Prime Minister, for me, and for the Minister of Industry, focussing on the soft skills and how important those are and where we have a dearth and a need to do better. Jackie Sayer-Scott did a tremendous job. And Noah Meltz, a tremendous job in putting this together, but it's quite expansive and broad. And what we hope to occur as a result of your work tomorrow and the subsequent workings, both in these Roundtables and in other interventions and exchanges that we are encouraging, is some kind of common thinking.

We won't always agree, unions, the private sector, and governments. But we've got to talk. We've got to have the conversations. We've got to get our understanding to a point where we can agree on the appropriate next step, short term, medium term and long term because our future depends on it economically, socially and for all of us as individuals.

Now when we start to look at where the skilled workforce is going to come from, that becomes pretty interesting. We've always, in the past, counted on the next generation or future generations. And indeed we will again. The young people coming up have had the benefit of a very solid, formal education system. And we are proud of that in Canada. Elementary school, secondary school, post-secondary education—a good solid basis that has allowed us to build a labour force, really which is second to none in terms of the numbers of people who have post-secondary education.

But we have to be cognizant of changes and the provinces are concerned about their ability to provide access. They're concerned about bricks and mortars. They're concerned about new strategies, e-learning and how they integrate that into the future and use new technology to provide opportunities in remote and rural parts of Canada and for those of us sitting at home. What are the impacts of that kind of technology on our educational institutions and how do we use it? We've got to think about apprenticeship, how we support that kind of formal learning and are there things that we should do in a modern Canada that we haven't done in the past to recognize the skills shortage indeed? Also there are fewer opportunities for apprentices in Canada now than there have been in the past. Ken Georgetti never lets me forget that. But working on the panel, as you discuss that very important piece of the skills and learning agenda.

When we look at our youth we count on them to be there for our workforce in the coming years, and they will be. But we look at future generations as well and ladies and gentlemen I remind you of the important agreement that we struck with the provinces and territories in September on early childhood development. We know that the wiring happens in those first five years of life. And if we are able to provide a better start for our youngest citizens, their readiness to learn when they come to that formal system is going to be improved. And hopefully one of the things that we will benefit from, amongst others, is the fact that as our kids go through the formal learning processes, they won't have to go back and revisit them. A lot of our education dollars are spent on taking citizens through the formal system a second time who didn't get everything they needed out of it the first time. We've got to reduce that. And we've got to make sure we take advantage of the system as we work our way through it.

From my point of view I think that will possibly be one of the positive outcomes of investing in the early years and I feel very positively about that undertaking. It does have a direct relationship to what we're doing here today, tomorrow and in the near term.

Our kids know something though: they can't do it all. We just aren't having enough of them to satisfy what we believe will be our labour market requirements in the not-so-distant future. So we've started to look outside and I was struck by an incredible statistic. Did you know that between 1981 and 1995 70 per cent of the new entrants in the Canadian labour market were immigrants? Seventy percent. That means we have got to be very sensitive and cognizant of our need in this regard. We've got to be a country that is a country of choice for people who want to travel, leave their home countries and go somewhere else. We have to be conscious absolutely about the issue of the brain drain.

We are here at home, as are other countries, particularly Third World countries. But if people are going to move, we want them to come here because by and large we know that the education levels of new Canadians are in fact higher than those of Canadians who are born and raised here. One of the challenges we face, and I hear it from all different corners, is that we've got to do a better job at integrating new Canadians into our labour force. The Prime Minister recently challenged, encouraged the provinces, which have the jurisdiction on accreditation, to look at this issue and see if we can't find better ways and means of recognizing credentials from other domains. If we can't integrate new Canadians more rapidly and quickly into our workforce and if there is a role for the federal government to play with the provinces, we want to play it because this is a significant piece of the puzzle that we have to solve if we're going to have a more efficient, qualified labour force.

But we can't always look outside. We need to also look back home. Two out of every three Canadians are able bodied, working, are participating or want to participate in the workforce. But there are others who are on the margin, sole parents and families, youths at risk who didn't find their direct "ah ha" in the formal education system, Aboriginal people, Canadians with disabilities, Canadians whose literacy levels are not at the level they need to be for them to fully participate in Canadian society and the Canadian economy. We have to look at these opportunities for inclusion in the Canadian labour force. We have to find and work together, whether it be in focussing on our young people who, as I say, are at risk but do ultimately want to play a role, be self-sufficient, make a contribution.

We have to work together and recognize the needs, the challenges, facing Aboriginal people in Canada, provide more direct funding for economic development, continue to support training and education, do what we can with unions to recognize there may be new and creative ways of engaging Aboriginal people in the union halls, continuing to focus on the mores and the culture in the workplace so there is a respect and a recognition of our individual differences. Working with the provinces to focus on building a labour market strategy for Canadians with disabilities-technology helps us incredibly in this regard.

I was recently at a meeting of the National Council on Welfare and one of the council members said are we really such a rich country that we can allow so many of our fellow citizens not to participate in our economy? Are we really that rich? Well no, we aren't. We are not. And it is up to us to find the structures, the ways, the strategies, to make sure that all Canadians participate for their individual benefit, for the improvement of our social fabric and for the benefit of our economy and its growth.

We've got some ideas in that regard. We've been talking about building on some pilots that we've had in New Brunswick and British Columbia, self-sufficiency projects we call them where we recognize that particularly sole parents who want to get into the workforce are doubly challenged trying to look after their families, take a low paying job, support their family members, and we've got some ideas and some strategies that are proven to work. We'd like to expand that and offer it in terms of a partnership with other provinces.

The literacy challenge is a big one. We have to get creative. We have to recognize that two out of every five Canadian citizens do not have the skills needed to participate in our economy, essentially lower than Grade 9 standard. Not good enough. Can't come into the workplace and read a safety manual, get the bus to work. This is a challenge for us. We have to turn our attention to it and working with the provinces we'll do our best but we need your support in that

regard. I suppose when we look at the biggest pool of labour force we go right to those who are working today. Fifty percent of the workforce that will be in and still working in 2015 are working today. Things are changing rapidly. How is it that we work together to recognize the need for lifelong learning, for constant upgrading? How do we do that and what's the role that we can play as a government to instill that culture of lifelong learning, learning while we earn? What's the role of the private sector and what are the tools and the mechanisms that will allow those who have done such a good job, because there are many companies and corporations who really are learning, companies that are providing the time to train, the tools to train to their employees. But how do we broaden that? How do we do it for small-and medium-sized companies that are struggling to keep ahead but also know that they have to keep their workforce upgraded? What are the things that we can do together? What's the role of government there? How do the colleges and universities play a role? What are the things we do to recognize that this is a huge new and important dynamic in the Canadian economy, that they are equally requiring capacity to keep the skills base current and moving forward amongst their employees? These are challenges for us.

Some of you tonight were talking to me about our suggestion for individual learning accounts, the idea that if an individual decides to set some money aside for their own continuous learning, the Government of Canada, as we do with the Canada Education Saving Grants, provides some top-up into those accounts so individuals have access to funding. They've still got to find the time and in these busy days that's a challenge.

But that's one tool that we're suggesting. Now members of the sector councils are saying that's okay but that goes to the individual and don't forget there are things that the sector can do itself and we've got to look at strategies where industrial sections can also have an impact. I think that will be part of the discussion tomorrow because there is a Roundtable particularly on the role of sector councils and the job they can do.

I must say I've been most interested in the development that we've seen in many of the sectors, whether it be cars, the idea of developing training packages that can be provided to the partnering employers for their employees to have on their own time in their own workplace so they're not being selected out to go to a training course. A bunch of new ideas coming about that we have to continue to encourage, instill and broaden.

But focussing on today's workforce is an appropriate thing for us to do. Focussing on adult learning is an area where as a country we don't have a solid track record. We talk about continuous learning, adult education. Traditionally that really is about helping those who didn't get their high school diploma or, particularly, high school diploma upgraded. We've made our focus on adult education. But we have to grow from that because we all recognize now the importance of lifelong learning, continuous experience.

From my point of view that kind of undertaking is valuable for us all. As I say when we talk about soft landings, one of the things as the economy comes up and down over the course of years to come that I think will help us with softer landings is increasing and improving the skill base of all citizens. The more skills we have, the more skills that are transferable, the more likely we are to be able to move from one sector to another depending on the cyclical movements. These are wise investments. And they really do fundamentally bring us back to an appreciation that we are living in a knowledge-based economy.

From 1961 to 1996 there's a 25 per cent increase in the gross domestic product of Canada specifically attributable to an increased quality in the labour market. Now ladies and gentlemen, that was not necessarily, maybe in the back end, a knowledge-based economy. A 25 percent impact. I think the message from that is as we move into this full blown economy that essentially grows as a result of new ideas and new technologies and their applications, we can see the impact of the labour force on our gross domestic product being ever greater.

We see that as a challenge. We recognize it as your government. We believe that we have to reach out, identify the stakeholders, bring them together, work together to identify a plan of action so that together we can be the jurisdiction, one of the jurisdictions that does make it solidly into the 21st century because we recognize the importance of ensuring that everyone of our citizens should have the ability to realize their full potential.

Ladies and gentlemen, we live in the best country in the world. Our challenge right now is to recognize that to ensure that continues to be the truth that we work together to identify the things that will ensure that our citizens have what they need to be self-sufficient and to contribute as they will to our great country.

Thank you for being here.

Session 1: Improving the Effectiveness of Sector Councils

LEAD SPEAKERS

Michael Carr and Doug MacPherson, Co-chairs, Training and Adjustment Committee, Canadian Steel Trade and Employment Congress (CSTEC).

Thank you for the invitation for Doug and I to speak at this very important and timely Roundtable discussion on improving the effectiveness of sector councils.

Between us, we have had over 20 years of practical experience in dealing with labour market issues on a sectoral basis and we believe sector councils have been a real Canadian innovation that has significantly improved the efficiencies of labour markets in Canada.

If you browse our CSTEC web site at www.cstec.ca or look at the “About CSTEC” document that we have distributed, you can see that in our 15 years at CSTEC we have been able to bring very innovative and cost-effective solutions to meet critical challenges in the steel industry in the areas of:

- adjustment of workers who lose their jobs;
- training for the current workforce; and
- recruitment and pre-employment training for new entrants in the industry.

And we are not alone. Other industries have used their sector councils to address their needs in innovative and cost-effective ways using similar sectoral strategies that have:

- significantly improved the employability of both the employed workforce and of laid-off workers;
- contributed to youth employment and to youth retention;
- improved the quality of education and training;
- reduced costs by reducing duplication and getting economies of scale in the development and delivery of education and training; and,
- improved access to education and training.

These sectoral strategies have benefited the industry and its workers. However, in many cases, they have also had very important public policy benefits.

In a nutshell, we believe that there are two key factors to the success of sector councils to date and to their continued success in the future.

The first factor is the ability of sectors to identify common goals or challenges and to address them in an effective way.

In CSTEC, we have learned that even though a goal might be common, we need to also identify the different needs or WIIFM’s (what’s in it for me) of all the parties involved. We then can pool the resources and expertise of all the parties to produce innovative and cost-effective results for each of the parties.

The second key factor in CSTECS and other council's success to date has been its ability to access generally available government programs in a sectoral way to enable it:

- to have the industry work collectively on the development and delivery of needed services;
- to develop innovative partnership with education and training providers; and,
- to develop partnerships with other industries.

If we are to improve the effectiveness of sector councils in the future, we believe we have to work on developing these two key areas. That means that there are important things that industries and education/training providers need to do and there are actions that governments need to take on an urgent basis.

As you will hear from Doug, action on the part of governments is especially urgent because we believe that, in the last three years, national sectoral approaches has been put at significant risk through two changes:

- the shift in labour market and training policy decision-making and funding from the federal to the provincial/territorial level; and,
- the shift (related or not) from a more flexible policy framework, that used to accommodate sectoral, community and/or individual program access, to an almost exclusive reliance on individual client-based programming.

These changes have made it more difficult and costly for councils like CSTECS:

- to access generally available programs sectorally; and
- to develop and implement national sectoral strategies.

And on that note, Doug will now briefly outline some recommendations, we would offer for discussion, that we believe will be important in determining the future potential of sector councils.

As Mike has outlined, sector councils have produced significant benefits to their industries and workers and have contributed greatly to achieving important public policy goals. However, we believe we can do even better, both as industries and as governments.

When it comes to industries, we need to do some of the things we've done well even better.

First, we need to better identify common needs. While companies will always be competitors and labour and management will always be adversaries at the bargaining table, we need to build on our experience which has shown that we can more effectively address common challenges as joint ventures.

Second, we need to better transfer our efficiencies between sectors. The Alliance of Sector Councils has proved to be an important vehicle to share our good practices. However, we also have to develop more direct relationships between councils to share experiences, share services and, if possible, explore joint development options. From our experience, we always learn better through doing.

Third, the existing councils need to assist in the development of new councils. This would benefit the economy more generally and would build the potential for more synergies between

industries. Here, CSTECH has always been a big proponent of mentoring programs between Councils.

Finally, councils have to develop closer links to education and training providers. From our experience, the greatest efficiencies in the development and delivery of education and training services have come from such joint ventures. As we learn to work together even better, the results will be even greater.

These are some of the important challenges we must face as industries and as councils. At the same time we need to continue to look at governments to provide policy frameworks that promote and not discourage these efforts.

We would be the first to say that Human Resources and Development Canada (HRDC) in the past has been a critical catalyst to the promotion and development of sectoral approaches. However, this must continue in the future. Here we see several important challenges.

First, governments need to develop policy frameworks that allow sectoral options. Mike mentioned the impact that both the Labour Market Development Agreement (LMDA) process and the shift to individual client-based funding have had on national sectoral strategies.

While some programs can still be accessed sectorally, such as the HRDC Youth Science and Technology Program and Ontario's Strategic Skills Initiative, these programs are very limited in number compared to past experience. Important programs such as Part II funding for training for unemployed workers, the recently announced Individual Registered Learning Accounts (IRLA's) and the Millennium Fund can only be accessed on an individual basis. We believe that everyone would benefit if governments explored the relative benefits and costs of different delivery options whenever a policy is introduced.

Despite the disappearance of more and more sectoral agreements, CSTECH has been able to continue its services over the last three years. This is because it has generated income outside the steel industry and has significantly increased membership fees. However, this strategy is not sustainable, especially since the CSTECH members have been receiving fewer benefits as a result of the elimination of sectoral agreements.

Second, governments must recognize that sectoral agreements should cover the delivery of services and not just the development of these services. From our experience, the delivery of services has been the area of greatest efficiencies. However, with the shift to individual client-based programming, there have been fewer and fewer opportunities for such partnerships.

Third, we believe federal and provincial governments need to discuss the value of sectoral options and share their experiences about the value-added of such options. This would make it easier and less costly for industries to talk to all governments about such options.

Fourth, federal and provincial governments need to better co-ordinate their policy rules and regulations to ensure important national initiatives are not discouraged or restricted. This is especially important since industries now have to work on a national basis to be more competitive internationally. From our experience, we believe the most effective way to achieve this is to develop results-based, as opposed to rules-based programming.

And last but not least, we hope all governments involve employers and unions, and their important sectoral experiences, in these discussions. This Roundtable is an important first step.

On behalf of Mike and myself, let me again thank you for this opportunity and we hope these important discussions continue.

LEAD SPEAKER

Gary Greenman, Executive Director, Alliance of Sector Councils

Thank you for the invitation to participate in this session and to bring some of the perspective of sector councils, as represented by the alliance of sector councils, which is an umbrella group for the 27 member organizations.

Sector councils were established at a time when program funding was decreasing and there was a shift to partnership groups as a means of stretching declining program funds, but continuing to have impact across the country.

Sector councils are a unique "made in Canada" successful partnership of industry, labour, government and education: much has been achieved: in a matrix that we are currently preparing for our web site over 350 council products and services are being profiled: these councils have received awards for outstanding work in the human resource development field and in at least one case this was at the international level: one council has reported that its web site use has increased from 800,00 to 910,000 hits in a one month period.

It is clear that these partnerships can have significant impact on issues like national industry standards for occupations or skills competencies, on addressing mobility factors for the work force, on national certification programs for a range of occupations, on an industry approach to more effective involvement with immigration processes for occupations in severe shortages, on skills preparation and advancement for the employed as well as new entrants, and many other good human resource development issues.

More can be accomplished on the question of recognition and certification of skills, transferability and mobility; greater efforts to prepare a skilled work force, a stronger business case for the sectoral approach, better transition programs for youth or mid-career individuals, more innovative training delivery systems, stronger links to local realities and communities, and promoting more realistic images of occupations.

Many councils were originally created with the intent of developing and managing industry based training: we all know the impact of the federal devolution of training to the provinces.

Let me state that sector councils have been delighted with the focus and attention given to the particular policy and funding program by the federal government as referenced in the previous speech from the throne, direct meetings with the minister of HRDC, the specific inclusion in "stepping up: skills and opportunities in the knowledge economy", and more recently in the Liberal party of Canada's red book for the most recent election.

These would lead sector councils to feel a certain level of comfort and anticipation that the sectoral partnership program will make its way directly into a budget line item or receive the attention that all of this focus should lead to: but the question that needs to be asked is why it appears the policy developers are not responding with the same emphasis and maybe enthusiasm that appears to come from the political level.

A key element of any partnership is the involvement of the major stakeholders from the earliest possible point in any development or project: sector councils have enjoyed a mutually supportive relationship with HRDC over the years, we have welcomed the opportunity for our input and ongoing consultations, and reiterate our preparedness to continue to work with the government in the same spirit.

The sectoral initiative has not been recognised across federal government departments as a major federal policy initiative with the private sector, and in fact seems to have lost out to a policy direction favouring assistance to the individual: Mike and Doug have also referenced this point in their presentation.

There could be some additional cooperation between federal government departments that would like to partner more effectively with sector councils: at last count there were apparently some 13 federal departments or agencies which could have an interest in the role of sector councils: how to coordinate this is a major task, but one which is urgently required at the federal level: it would as well be useful to have our federal colleagues facilitate a stronger link and more presence in dealing with the FLMM and CEMC.

In adjusting to some of the funding reality it often appears that councils take on other roles which blur the lines somewhat between industry priorities and public policy objectives: to be blunt, some councils take on these functions as a means of obtaining support.

A major policy challenge is on the support and funding question and closely related is the distinction between public good and public funding and industry responsibility: some examples of public good would be dealing with aboriginal issues across the board, addressing mid-career issues or labour market entry issues, developing career information resources for all levels of the education system and to reach those not served by traditional channels, etc.

Councils spend an inordinate amount of time on revenue generation and funding issues, sometimes to the detriment of industry priorities: we would certainly endorse the recommendation of the Expert Panel on the provision of funding support for administrative support, start-up funding and core administrative support for the alliance of sector councils.

Industries in this country pay enormous amounts into the taxation system, and there is no mechanism to capture the increased tax revenue resulting from the investments in training and human resource development issues: however, it would seem clear that the public investment is paid back many times over: one of our members has calculated for the youth internship program that 60 per cent of the federal investment is returned to the government during the actual project and that within 6 months the entire investment is recovered.

The fallout in HRDC from the audit issue is leading to overkill on the process side and lessening on the risk taking and innovation: we understand what you have been through and the resulting constraints, and to be honest hope the pendulum starts to swing back soon.

In summary sector councils believe they can continue to be effective and that the following would greatly assist:

- a. Recognition of the sectoral program as a federal policy and priority for all federal departments;
- b. Increased assistance for joint or cross departmental initiatives and facilitation/promotion with FLMM and CMEC;
- c. Inclusion in the next federal budget of dedicated program funding, without overly burdensome constraints;
- d. Some risk taking program funding which could see the testing of new and innovative human resource development approaches and initiatives;
- e. Consideration of more realistic ongoing financial agreements that go beyond the start-up of councils and programs to the sectoral delivery of programs such as E.I. Part ii, IRLA's, and even policies like the millennium fund;
- f. The basis of these ongoing sectoral agreements is the recognition that sector councils are delivering many very valuable programs that serve both a private and a public benefit.

LEAD SPEAKER

Jean Charest, Professor, Université de Montréal

Effectivement je suis heureux de pouvoir parler ce matin d'un sujet de recherche majeure en ce qui concerne à savoir les conseils sectoriels. En particulier depuis l'an dernier en dehors de mes fonctions à l'Université de Montréal je poursuis pour le compte du gouvernement du Québec l'évaluation de la politique d'intervention sectorielle qui a été adoptée en 1995 au Québec et qui a conduit à la mise sur pied de 24 comités sectoriels. Alors je fais pour le compte du gouvernement cette évaluation pour une période de trois ans.

Les conseils sectoriels sont une innovation majeure au plan des institutions du marché du travail à mon avis qui d'abord reconnaissait la logique sectorielle des marchés du travail, qui reconnaissait aussi que des institutions étaient un complément nécessaire au jeu du marché et à l'action gouvernementale et qui aussi reconnaissait l'importance du partnership relativement aux problématiques de main d'oeuvre et de formation.

Le défi était énorme, réussir à faire ce que ni le marché à lui seul, ni le gouvernement ne pouvait faire, c'est à dire réussir à réduire autant que possible l'écart entre la demande et l'offre de main d'oeuvre en agissant sur le développement des compétences, et ce pour tout le Canada. Récemment le discours du Trône et l'excellent rapport du groupe d'experts ont renouvelé d'une certaine façon l'appui aux conseils sectoriels et je pense qu'il faut s'en réjouir.

L'expérience des conseils sectoriels et l'analyse qu'on peut en faire me suggère d'abord un constat général et ensuite trois pistes de travail pour améliorer l'efficacité des conseils sectoriels. Le constat général, et en ce sens je rejoins mes intervenants précédents, le constat général est à l'effet que les conseils sectoriels peuvent produire, et produisent en fait des services utiles pour

améliorer le fonctionnement des marchés du travail. Les réalisations sont nombreuses à cet effet. Les conseils sectoriels sont ce que j'appellerais des producteurs de biens publics, sinon même eux-mêmes des biens publics ou des institutions. Leur développement peut être considéré comme relativement lent dépendant des points de vue. D'une part parce qu'il faut reconnaître qu'ils s'attaquent à des problèmes complexes que le marché ou l'État ne réussissent pas davantage à régler. D'autre part parce que le partenariat est un processus de construction relativement lent et difficile, je dirais surtout dans un système de relations industrielles plutôt décentralisé, ce qui est le cas du Canada.

Il n'y a pas de solutions miracles uniques à mon avis et je mets de l'avant trois pistes complémentaires à poursuivre pour améliorer l'efficacité des conseils sectoriels. Il s'agit d'un soutien financier, d'un soutien technique et d'un soutien politique à l'égard des conseils sectoriels.

D'abord le soutien financier. Deux approches différentes à ma connaissance ont été expérimentées au Canada dans les dernières années, celle de Développement des ressources humaines Canada (DRHC) et celle expérimentée au Québec par Emploi-Québec. On connaît la formule de Développement des ressources humaines Canada. Il s'agit d'accorder un soutien financier temporaire de quelques années pour le démarrage des conseils sectoriels puis on considère que l'autofinancement sera un test de vérité du partenariat et du besoin sectoriel d'avoir un conseil sectoriel.

Au gouvernement du Québec, suite à des discussions avec les partenaires patronaux et syndicaux en 1995 on a plutôt décidé de financer les comités sectoriels de main d'oeuvre de manière permanente pour leur fonctionnement de base, en plus de leur accorder un financement pour des projets spécifiques, mais sur la base des résultats visés et des résultats atteints par les comités sectoriels. La contribution des partenaires patronaux et syndicaux est plutôt demandée et estimée sur la base du temps et des services consacrés aux comités sectoriels. Ce dernier mode de financement assure aux acteurs une pérennité de leurs actions, tout en exigeant en même temps des résultats, des résultats de bonne représentation patronale et syndicale, des résultats de fonctionnement sérieux et des résultats opérationnels. Si les conseils sectoriels sont des institutions qui produisent des biens publics pour le marché du travail et pour l'économie en général, ce que je crois, pourquoi leur demander de se financer de manière privée après quatre, cinq, ou six ans d'opération. Le ferait-on avec d'autres institutions et j'ose référer même à des institutions gouvernementales, à des ministères comme DRHC ou avec l'industrie et commerce sous prétexte que ces institutions rendent des services aux acteurs privés du marché du travail? Évidemment non. Dans ce sens-là je pense que la recommandation 6.2 du rapport du groupe d'experts est intéressante en matière de financement des conseils sectoriels mais je recommanderais d'aller plus loin dans le sens de mes derniers propos.

Le soutien technique, et je serai plus bref là-dessus, le travail des conseils sectoriels pour atteindre leur mandat est colossal et il repose d'abord sur une bonne connaissance du secteur et des liens avec les marchés du travail. Ce travail d'analyse et d'information sur le marché du travail est toujours à refaire et il exige des moyens, des ressources techniques, qui font souvent défaut aux conseils sectoriels. Je crois que les gouvernements ont les ressources techniques et les ressources humaines pour mieux supporter les conseils sectoriels dans ce travail important. Les liens entre les ressources gouvernementales et les conseils sectoriels doivent être renforcés et en ce sens je trouve particulièrement intéressantes les recommandations 1.2 à 1.5 du rapport du groupe d'experts pour améliorer justement le soutien technique aux conseils sectoriels.

Je termine avec le soutien politique. Le processus d'émergence et de reconnaissance des conseils sectoriels comme institutions centrales des marchés du travail nécessite un soutien politique de la part de l'État. Ce soutien a fait défaut à mon avis depuis les années 1990 surtout quant à la nécessaire collaboration des gouvernements provinciaux avec le gouvernement fédéral. Pire encore, je dirais, il y a eu beaucoup trop d'instabilité institutionnelle et politique depuis une dizaine d'années, lorsqu'on pense, par exemple, à la création puis à la disparition de la Commission canadienne de mise en valeur de la main d'oeuvre et des différentes sociétés provinciales, les provincial labour boards dont Andrew parlait précédemment. C'est, à mon avis, le partenariat qui est ainsi ébranlé à chaque fois. Je trouve à cet égard la recommandation 6.3 du rapport du groupe d'experts à l'effet de créer une nouvelle société "d'État" ou société privée qui s'appellerait Entreprise Canada. Je trouve ça intéressant mais en même temps inquiétant parce que je crains que l'on répète la mise sur pied de nouvelles institutions à tous les dix ans pour ensuite les abolir, ce qui est déstabilisant pour les partenaires du marché du travail.

Je conclus en disant que les marchés du travail sectoriel, parce qu'à mon avis il faut parler des marchés du travail, les marchés du travail sectoriel sont trop complexes pour être "gérés" seulement par des conseils sectoriels et seulement au niveau pan-canadien. La collaboration des provinces et même à l'intérieur des provinces est tout à fait essentiel avec les conseils sectoriels canadiens, avec le gouvernement fédéral, et actuellement cette collaboration entre les paliers de gouvernement fait trop souvent défaut. Merci.

LEAD SPEAKER

Margaret Biggs, Assistant Deputy Minister, Nationally Delivered Programs, HRDC

I'm going to skip over the successes of the sector councils and all the things that they can do in terms of making a more efficient labour market because the other speakers have really addressed that and I think that's well known to this room. So on the question of how to make them more effective, I was going to identify six issues, most of which have already been identified as well by the other speakers.

The first one is around how we sustain them. We know they're successful, we know that they play an important role in terms of making important linkages and human resources partnerships and planning and addressing market failures but do we have the best model in terms of sustaining them and making them effective and efficient? It isn't just a question of more money; it's whether we have a business model and a funding model to meet our mutual objectives, public and private.

The second issue, very related though, is around results. We need to focus on accountability and results. I think we all know that the sector councils are very effective in what they do but we have to prove this business case. We have to demonstrate the results that we're gaining in a way that the public and governments and the private sector can all understand in order to build support for them. And I know the councils themselves are very open to doing this. And that in turn I think will help inform the business model and the funding model that we want to have.

The third issue really is around reach. We have many successful models but we need to cover more of the labour market. We need greater labour market coverage. We need to expand into

non-traditional sectors, for example construction which is coming on stream shortly. We need to move into the public sector, for example in the area of health. We need to reach down into sectors and be more responsive to regional and local needs; and we need to share, as many of the people have indicated already, we need to share best practices, we need more knowledge transfer across these councils and sector partnerships. And finally, we also need to pull out and extract from our sector experiences more things that are pan-Canadian in national significance. We have a tool here to really address some of the national labour market needs and issues around mobility in the country.

Fourth, we need more innovation. The councils have been very innovative but we need to capitalize even further on the emerging technologies, for example to establish diagnostic tools for human resource planning. We need to position the sector councils as the brokers that can offer not just one, but a suite of sector specific tools and learning initiatives, whether that be:

- in the area of distance learning and technology assisted learning;
- in the area of coaching and mentoring;
- in the area of brokering and assessing internship opportunities;
- in the area of web based or diagnostic tools; or
- in the area of credential recognition or essential skills.

Some have been started in some councils but we can transfer them across others. Much has been done and we can do even more.

The fifth area or challenge that we need to build on is in the area of linkages, which again is one of the strengths of the sectoral approach. But we can go even further because the challenge is really to strengthen the linkages to the educational and training systems, to the apprenticeship systems, to the regional delivery systems, even to our own department, and to the information specialists.

And sixth, we need to preserve and strengthen the flexibility of the sectoral approach. As the Minister indicated last night, we need approaches that work at whatever stage we're at in a business cycle and this is what the sector councils have been so good at doing. We need to be able to respond to changing labour market needs: whether we're on an upswing and we're looking at labour shortages and skill shortages and planning for the future due to demographic change; or whether we're in the downturn and need to look again at industrial adjustment and different kinds of opportunities. The sector councils are perfectly positioned to be flexible to the changing needs of the labour market.

So those are the main challenges I see in terms of making councils even more successful as a tool for addressing some of our skills and learning needs.

PARTICIPANTS' DISCUSSION: SESSION 1

Moderator: Thank you very much Margaret. Now we're going to turn it over to general discussion. I might point out that with the aging of the population our eyesight is deteriorating so we might not be able to all read the signs of who we are. So I'd ask people to identify themselves before they begin. I think we've had a lot of food for thought from the five presentations and so I'd like to get the discussion going. Any volunteers from persons that would like to go first. Yes, Jim?

Jim Lahey (Associate Deputy Minister, HRDC):

Well I just want to thank the initial speakers for their great presentations and for their remarkable adherence to your time limits. I've been interested in and a supporter of sector councils since I started as ADM Policy in the Department of Labour in 1990 and I was impressed with them then and continue to be impressed with them as remarkable institutions. Contrary to some theories of how business and labour can't get along or how companies are busy competing all the time, they have shown that it is possible to find common ground and to accomplish goals which, as Professor Charest said, address gaps that neither the market nor the governments seem to be able to address.

If I go to the comments that were made by both the speakers from CSTEAC and the speaker from the Alliance of Sector Councils, if I oversimplify, they seem to be saying we don't want to just be precarious institutions funded sort of under increasingly restrictive terms and conditions to pursue kind of broad public policy objectives, we want to be able to access significant funds that will allow us to do significant things to advance sort of skills and adaptation and so on in our sectors. And I – you didn't actually say it, but the implication could be that unless the government, the federal government or the provincial governments or both governments together find a way to make that possible, your continued existence may not be something that can be counted on and I'd be interested to know whether that in fact is your message.

Now but pushing it further, in my view we are sort of, as a country, we're sort of caught between two moderately stable worlds. The first one, which existed for a long time even though there was lots of rhetorical battles, was the federal government had the bulk of the money for sort of what we could loosely call training. And it could spend it in a variety of ways and one of the ways eventually was through sector councils. We're now sort of partly into another model where in effect the money available for training and adaptation is largely in the control of the provinces even though significant amounts may come through the federal system.

Now this means that the federal government has found itself migrating as you've identified towards focussing on individuals, something that can be done through the tax system or the EI system or otherwise and not directly so to speak confronting the fact that most of the direct training tools are in the hands of the provinces. On the other hand, the provinces, with the exception of Quebec and perhaps one or two others, haven't generally bought into the sectoral approach partly because it's "national" so it doesn't sort of fit easily with the provincial sort of scale of operation, and secondly partly for ideological reasons in some provinces. So what we need to do, it seems to me, is move to another, perhaps more stable, arrangement whereby there's actually a common view of what is required to have a successful labour market in Canada and what roles the two orders of government can play in cooperation with business and labour. I don't think we're there yet and in fact some of my colleagues who are around the table from the

FLMM will probably, privately at least, be willing to admit that we haven't made a lot of progress recently in getting there even between governments. We may need – maybe one of the contributions of sector councils, private sector, academics and others can make is to push all of us to build that more stable approach. Anyway I didn't respect your time limits, I apologize for that but I thought I'd offer that to the conversation.

Moderator: Would anyone like to add to those comments or develop them further? Yes, Paul Swinwood?

Paul Swinwood (Executive Director, Software Human Resources Council):

For those people who don't know me, my name is Paul Swinwood. I'm President of the Software Human Resource Council and so have the other side of the picture. First of all I'd like to say to Professor Charest, thank you for the work you've done in the identification. Your points are accurate and certainly something that I live every day. In responding to Margaret on the six items that she is challenging the councils on, I think that the biggest challenge we've got of course is the survival of the councils, and as private, not-for-profit organizations, we have to run a business. As I keep joking with people, I have to run a private consulting company under Treasury Board guidelines. What I would really appreciate for the effectiveness of the council is first of all having the government partners, both at the federal and the provincial level, understanding what it is they want to accomplish. Sustainability of the council is something that I live every day and given the changes that swing from the training being devolved out to the provinces – we were put together with the concept that we could develop training and that would be the value to our sector. What's happened with the devolution, especially in my IT sector, is that there are now 4,876 IT training companies in Canada averaging a half a million dollars a year of revenue which translates to just over \$2 billion of IT training going on. I can't compete with them but I sure as heck can complement them or I sure as heck can become a value added to them. We need to figure out how we do that.

In results, I think the councils have all demonstrated deliverable results but I will say to you, when putting together policy programs, when you look at what we're doing with contracts with HRDC or with the provinces, my council now has a rule, if I don't have 20 per cent of the funding for communications, don't develop something. We develop more things and put them on a shelf because nobody can find out about them. So when you're looking at your development of policy, you're looking at development of your programs, include the communications network, that is, telling people about it, getting out to the universities, getting to the colleges, letting them know what's going on.

When you talk about innovation and diagnostic tools, one of the challenges is to understand the role your department plays as to whether it's a partner or a policeman. The major challenges we get are things like your current rule around \$250.00 for capital funds. If my server goes down on Friday night and I'm doing this under a project with the council, I need your permission to replace the hard drive. So look at the rules, look at the policies. When you look at the effectiveness of the councils, the amount of time that we spend working with you and the fact that we're – and for those people who are on the other side of it, that HRDC has not been doing a good job of monitoring, I would like to put that to bed, to sleep very, very soundly, that being monitored on an average once every three weeks down to the point where I get my cancelled cheque stubs gone through one by one means they're making sure I haven't gone overboard. So if you need someone on the other side, I'm willing to show up on that side. You're doing a

fantastic job. However, I need that time to go and build relationships and partnerships rather than defending cheque stubs.

And in flexibility, one of the greatest things that the councils have done is being flexible. One of the things that we've proven is that we can be so much more flexible and I think my challenge is I know within the department I'm described as the one who we know where the sandbox is, if only we could get Paul to understand where the sides of it were, maybe we could work closer together. In my sector I have to work outside the sandbox. And so when I heard about two months ago that the project that we were looking at doing for career awareness for the primary school level was not something HRDC could do anymore, that sort of thing disturbed me. If HRDC is not doing it, who is? And so when we work on a national basis for career awareness, we had a major partnership pulled together with IBM, Cisco and a few others, but it needed the federal government participation. Your decision was no. We need to know what the rules are. So sustainability and effectiveness of the councils is very, very important if HRDC, Industry Canada, DFAIT, all of the other departments that are sector oriented can work together, and the provinces, and we need your support on that. When I have to do a project now, I work with 13 provinces and territories, three departments in each of those provinces and territories, the Ministry of Education, the Ministry of Labour, the Ministry of Economic Development, and so when you talk about taking time to build partnerships, it's become very, very difficult to do that.

So just the other side of it, what we're looking for is a clear vision of where you want to go, your flexibility in dealing with us in where the sector might want to go, and working as a partner would be absolutely fantastic. Thank you.

Moderator: Noah?

Noah Meltz (Professor Emeritus, University of Toronto and Member of the Expert Panel on Skills):

As a member of the Expert Panel I'm delighted that this session on the sectoral skills councils has been included because we on the panel saw the unique role that these sectoral councils have played and the partnership with HRDC providing the seed money. But what we also saw, and this goes through the whole report, is the importance of the federal and provincial partnership in dealing with the whole skills issue. Where the sectoral councils come in is these are really public goods because the impact goes far beyond – obviously it relates far beyond individual firms and unions that are in partnership. It goes far beyond the sectors as well and so I guess a personal note of concern that – concern about the necessity of working out a longer-term relationship so that the councils can continue. No one wants institutions to continue simply for the sake of continuing them. But I think in the situation we're in now and the demonstrated importance of these councils, and what I would call the uniquely Canadian model, these councils are really a uniquely Canadian model, the question of working out a partnership between the federal and provincial level and finding the funds to sustain the longer term existence in contribution to meeting the skills needs I think is essential.

Moderator: Doug, did you have a comment? Go ahead.

Doug MacPherson (Assistant to the National Director of Canada, United Steelworkers of America):

I wanted to address the sustainability issue and one of the earlier speakers did in fact question whether we were saying is this a survival issue and quite frankly it is a survival issue. One just needs to look around at some of the other sector councils that have failed. I, fortunately or unfortunately, am also a member of the sector skills council in the electrical industry. That council, quite frankly because of the removal of direct funding, both from the federal and provincial level several years ago, is now in a wind-up mode. They just decided that they could no longer function as an effective council and are indeed winding the operation down. Most recently we heard that the grocery producers council – and there may be other people here that could speak directly about this – also have made a decision, I understand, to wind down. I can tell you from CSTECC's perspective that we've maintained programs over the last three years by reaching outside the industry, by developing relationships that are in some cases international. But that takes away from the delivery of services to our core membership so of course there you've got this balance between how we service that and yet generate funds in order to continue to do that. We have increased our membership fees to our membership, to our member companies and our local unions to the point where it's beginning to hurt and they're looking at their investment and what they're receiving.

When one looks at the devolution from the federal to the provincial governments, whereas in the past we were able to deal with one or two departments at a federal level, we're now dealing as previous speakers said with each province and we are trying to establish relationships and no longer have you established a relationship when the person or the policy changes and you're back again. And that takes a huge amount of our resources. We're a very small group of people and it takes a huge amount of time and effort and cost to maintain those relationships. There needs to be a lot of dialogue with the provincial governments and the federal government and the sector councils about the value of the councils and we have to find ways that we can do this much more efficiently than is currently being done. So it is very much a survival issue for us.

We are contemplating at the CSTECC board about reaching out beyond the steel industry, downstream. How far do you go with that until you become so diluted, if you will, in that sector that you're no longer able to meet the needs of it? That was one of the failings I think of the sector council in the electrical industry: if you had electricity in your workplace you could become a member. And then of course to try and deliver services to such a broad spectrum of different interests perhaps was an impossible task that we set ourselves. So we should learn from that. But very clearly we are concerned that over the short term are we going to be able to survive. It is very much a survival issue.

Moderator: Thank you very much. Carla?

Carla Lipsig-Mummé (Professor and Director, Centre for Research on Work and Society, York University):

Two questions. Jean Charest said, and I think it's been a focus for some of our discussion, that what the sectoral councils do is what neither the market nor the state does or can do. Recognizing this I think is of profound importance and shouldn't simply be paid lip service to either passionately or painfully. It's of ideological importance. It's of political importance and it

is also of policy importance. I'm fairly sure that in Quebec the government and the community, and I want to stress that, understand and recognize that there is a space between market and government that has to be filled. To some degree the sectoral councils do this, and I'm thinking way back to the 1980s and the Forum sur l'emploi in Quebec, that the community also has to do this. I am not sure the federal government has come to terms with owning up to the ideological importance of what this represents. I think that needs to be done.

The second point/question that I want to add is this: I'm struck by the fragmented nature of what we're discussing, that the councils are struggling, often on their own. Each speaker spoke about linkage and outreach but one speaker or one respondent said "when I want to disseminate I have to go struggle for the money to do so." I'm wondering why there isn't some central additional funding for getting the message out and there was a silence that I didn't hear – or how do you – well you hear or you don't hear a silence, that's a question – about the message of what sectoral councils are. Is it going anywhere internationally? It should be. Is there an international flow of information into the sector councils from other countries? Is there an international profile being developed for them? It seems to me that for survival the sectoral councils are going to have to anchor in civil society and the community so that when the government looks at their survival they see something that is part of and reflects the community.

Moderator: Okay. George?

George Nakitsas (Executive Director, Canadian Steel Trade and Employment Congress):

That's a critical point. I can tell you from our experience as Doug and Mike have said, by necessity, jacked up our membership fees to \$400,000 a year from I think it was \$30,000, and we've also had to get revenues outside. By accident we bumped into the international potential of sectoral approaches and we've got significant work that we're undertaking with the Canadian Labour Business Centre in Brazil and Argentina and Chile not with the steel industry. Our board has decided that's a potential conflict of interest but with whom? With state or federal governments that had very centralized state centred approaches where they needed those buffers that you were talking about and they went to France, they went to Britain, they went to Germany, they went to different countries and guess where they came? They came to Canada. But again, they are raising those types of issues. It's not just start-up to start up the council, to start up services but as some of our board members have said we have worked with HRDC and the provinces for seven years.

You convinced us not to work just as individuals but to work collectively on common issues, and three years ago that broke. The question they're asking us again is whether that was a conscious policy decision, that we've gone away from sectoral approaches not only in development and in terms of initiation, but in delivery. Whereas I think both Mike and Doug said that's where we've gotten our greatest value added in terms of quality improvements, reduction of duplication, economies of scale and delivery and a whole range of issues like that. Outside we've got the "About CSTEAC" document which lists a lot of our programs and the results and they're very significant. But that's happening – I don't want to digress – not only here in Canada this debate but we've got a huge international audience that basically has looked at an approach that devolves decisions but devolves them in a framework where you have competing – what used to be seen as competing interests that have become complementary interests. It's a huge potential, and if we can make it survive and grow in Canada I think it could go well beyond as a unique Canadian innovation that we can deal in with other countries. Thank you.

Moderator: Thank you George. Derwin?

Derwin Sangster (Director, Business, Canadian Labour and Business Centre):

Just to comment, there's a great deal of discussion about communication with federal/provincial governments from the perspective of the sector councils and building those bridges. I'd like to also mention that when I hear discussions around the sector councils, I really do get a sense sometimes that they are with the best will in the world still a little bit in a world of their own. I also talk in another life to business and sometimes labour leaders at a CEO level, a different level and I must say I do sense something of a disconnect in awareness between business leaders at large, heads of national associations and so forth and the sector council movement if you want to call it that. There doesn't seem to be a really sort of, if you will, broad based understanding of some of the successes and some of the issues that the sector councils are dealing with which obviously are very technical, very specialized.

I think in addition to the kinds of communications we've been talking about, that Paul was talking about in terms of linking to governments, there may well be a need to keep in mind, a need to link within the business and even the labour constituencies, certainly the business constituency to promote the value of sector councils to promote their successes and possibly even develop some highly visible senior level champions, if you will, of this kind of approach to dealing with issues. So just another line of communication I thought I'd mention.

Moderator: Thanks very much Derwin. Sherri.

Sherri Torjman (Vice-President, Caledon Institute of Social Policy):

My questions are to Mike. You opened by talking about the difficulties, because of the devolution of labour market policy to the provinces, and I'm wondering what role the sector councils have played or can play with respect to labour market mobility. Margaret Biggs made reference to this but not in particular to any input on the agreement on internal trade.

My second question has to do with how easy it really is to form partnerships with local colleges and universities around some of the training and educational issues. Our organization was involved in a local partnership called Partners for Jobs in which all sectors sat around the table and the biotechnology sector in particular said, you know, we've had real difficulty with our local college because they claim that they can't offer biotechnology courses right now, there's no economy of scale right now around emerging areas. If there were current skills that would be great, but in emerging areas it's not in their interest. So how can we move that forward even if sector councils identify areas of need they can't in fact match with the training at the local level?

Mike Carr:

One of the very interesting things that CSTEAC has been able to do has been to develop programming that is transportable, that is recognized by the industry as the standard for specific skill sets. For example, the operation of overhead cranes, we developed significant training modules around that, use of forklifts, WHMIS, safety standards and safety analysis, basic steelmaking, rolling, and we've developed a whole series of courses that are recognized within the industry as being the standard for training and we did that through partnerships with the

community colleges in each steel community and CSTECC had a tremendous ability to bring the colleges together and say look, we'll share the risks, we'll share the development costs, we'll make it possible for intake to occur in one community and be able to attract and draw interested parties from other communities to take that training in that community because we knew it would be applicable back home.

In terms of mobility, the programming that we've done has been to say to people affected by adjustment we want to deliver courses to you that will value add your employability to other prospective employers either in the community or in other communities. So the focus of CSTECC on a sectoral basis has been a powerful motivator to get colleges around the table and to develop a consensus around what curriculum should look like and how it should be delivered.

Sherri Torjman:

Just on that question, Mike, I was wondering about the recognition of credentials, you know, so that you effectively remove provincial accreditation barriers.

Mike Carr:

One of the discussions we've had, for example, around skilled trades development has been the development of training curricula that do recognize the differences by having a standard that would equate to, for example, in a trades environment the Red Seal. And that type of interaction has been quite important for us being able to sell employers and the union and the local training committees on the value of this type of training because one of the things we've learned through painful experience in the steel industry is that the market moves in cycles, and when the market is moving up, everybody's focussed on getting something out the door. When the market moves down, suddenly we've got layoffs and that's a perfect time to train, but what about displacement? What happens when people have to go seek employment in other areas? They want skills that are attractive to those employers, those potential employers. So we've found it very useful to train to a standard that's recognized.

Colleges have been quite open and they've been quite willing to look at who's going to take the lead. If you look here in Ontario, we had Mohawk College, we had Sioux College, we had Durham College, we've had a variety of colleges come together and say, well one college will take the lead in the development of this particular curriculum but we'll deliver it at all of our colleges. In Saskatchewan, the Saskatchewan Institute of Applied Sciences developed a whole number of curricula for the steel industry and the steel industry is not the largest industrial sector in Saskatchewan by any means but they were able to develop some things and deliver them to CSTECC and CSTECC has adopted those programs and delivered them across the country.

Sherri Torjman: Okay, thank you.

Moderator: Thank you very much. Yes, do you have just a quick follow-up?

Doug MacPherson:

Just a quick follow-up in terms of the college certificate programs that we have developed with the colleges. They are creditable courses and there is an agreement between the different colleges in the different provinces to recognize credits that may be obtained here in Ontario and

have a certain value, or in a CEGEP in Quebec, and then that individual goes to another province, another community college, and that credit is recognized on an exchange basis. We have sort of a chart that says, you know, two credits in Quebec are equal to 1.5 in wherever and you have this transferability between colleges across the country.

Mike Carr:

Just to follow-up even more, one of the things that CSTECC has done that's become nationally recognized is the work we've done around prior learning recognition so that there's a whole area there that CSTECC on a sectoral basis was able to challenge community colleges to do exactly what Doug has said. And so I think that's an important initiative that needs to be carried further.

Moderator: Okay. Any other interventions? Yes, Jean.

Jean Charest:

Juste rapidement je veux revenir sur la question du partenariat, du partnership qui à mon avis est un enjeu crucial dans la discussion. Au tout début de la politique des conseils sectoriels le partnership était surtout vu comme étant un enjeu patronal syndical. On se demandait si on pourrait réussir à créer une culture de coopération entre les acteurs patronaux et syndicaux Canada. Actuellement la discussion semble plutôt indiquer que l'enjeu du partenariat tourne plutôt autour de la collaboration entre le gouvernement fédéral, les provinces et les conseils sectoriels eux-mêmes, ce qui est un peu ironique. Je pense qu'il faut être ouvert à différentes formes de collaboration possible entre les paliers de gouvernement et les conseils sectoriels. J'ai mentionné le cas du Québec et je ne veux pas évidemment suggérer ici que c'est le modèle idéal. Le gouvernement du Québec a décidé de mettre sur pied ses comités sectoriels de main d'oeuvre mais qui ont beaucoup de collaboration avec les conseils sectoriels canadiens. En particulier, je pense au cas du tourisme qui est un secteur très important dans l'économie canadienne. Il y a une étroite collaboration entre le conseil sectoriel canadien du tourisme et son équivalent au Québec. Et je pense qu'il faut tirer des leçons de cette forme de collaboration-là.

Comme je l'ai indiqué, il ne faut pas penser que tout est idéal aussi dans l'expérience Québécoise. Les tensions, par exemple, même les conflits entre les fonctionnaires de l'appareil gouvernemental d'Emploi-Québec avec les comités sectoriels sont souvent assez importantes aussi. À tout de moins je pense que l'évaluation qu'on est en train de faire au Québec de la politique démontre une volonté d'améliorer le processus. À cet égard-là je pense que en termes de modèles, si je peux dire, je pense que la situation de l'Ontario m'apparaît passablement plus préoccupante et là je ne veux surtout pas faire d'ingérence politique mais je pense que la situation est plus problématique en regard des soutiens aux conseils sectoriels.

Dans tous les cas, et je termine là-dessus, je pense que s'il n'y a pas de soutien gouvernemental des provinces aux conseils sectoriels, ce qui est problématique dans une période de dévolution des programmes vers les provinces, je crois que c'est la responsabilité de Développement ressources humaines Canada de poursuivre le soutien aux conseils sectoriels parce que ce sont des institutions importantes pour l'ensemble du marché du travail ou des marchés du travail au Canada et si, pour toutes sortes de raisons, les conseils sectoriels disparaissaient graduellement dans les prochaines années, je suis assez convaincu que dans 10, 15 ou 20 ans on va être à

nouveau réuni autour de la table pour se demander quel genre d'institutions on devrait créer pour améliorer l'efficacité des marchés du travail.

Moderator: Thank you very much Jean for those remarks. Would anyone like to comment? Yes, Bruce.

Bruce Baldwin (Director, Ontario Ministry of Training, Colleges and Universities):

This is one of the places where HRDC isn't hindered by a devolution agreement and is free to deal with sector councils at its will. Certainly one of the strong themes from the representatives of sector councils has been the complication of having to deal with more governments and more ministries within governments as a result of transfers of responsibility to provincial governments and I think from a provincial perspective, at least an Ontario perspective, there's a similar issue of resourcing, not simply in terms of core funding but in terms of capacity and time of policy and program people and how they deal with sectors. I think there is a strong commitment to a sector approach in Ontario and I think part of our discussion today, we've kind of confused the distinction between a commitment to sectors and a commitment to sectoral councils created by HRDC to provide national advice or advice to the federal government on labour market issues. I think we need to be clear about that particular distinction.

As I say there is a strong commitment to working with sectors in terms of developing policies and delivering programs in Ontario. Certainly our apprenticeship system is led by industry representatives, business, labour reps and every occupation that we train through apprenticeship, to help us set standards, develop curricula and provide advice on the delivery of apprenticeship. We work regularly with sector representatives from right across the economy. The question becomes 'who do we talk to?' How do we make decisions about how to invest time in terms of seeking that advice? One of the issues that will help drive that question is the decision-making authority of the group that we're talking to. How do we have conversations that lead to actions and commitments on both sides? The point Derwin made about the disconnect between business and labour leaders and the work of councils is a troubling one if you want to have conversations that lead to cooperation and joint action.

So I think part of the discussion about the future of councils has to be a conversation about a focus, an area of expertise and an ability for provincial governments to be able to deal with sector councils in those areas of expertise. Certainly the prior learning assessment is an issue that we're deeply interested in and recognize the specific role that councils can play in helping to move that agenda forward. I don't know that we're looking to get into new delivery arrangements using councils or anybody else right now, we're sort of still recovering from a recent experience in terms of a training and adjustment board in Ontario, but if we're clear about what the dialogue can be about and where the focus can be, I think it's going to help both sides in maintaining an ongoing commitment and relationship.

Moderator: Thanks very much Bruce. Any other interventions on any of these issues? George, do you want to just follow up quickly?

George Nakitsas:

Just a small one. I want to return to Jim's question because I think it's a critical one. Jim and I think the answer is yes, and it touches on the comment that one of our greatest relationships has been with the Ministry of Economic Development in Ontario, and with them your ministry of colleges where we have looked at sectoral approaches. But the key question is, are employers and unions going to act individually or individually where they have competitive advantages and collectively where they have potential for adding value as collective approaches. Jim's question is a critical one and it involves not only start-up but delivery as well. I'd be remiss if I didn't say to you from our experience – and I think from that of other councils – not only is that the critical question but we didn't answer quickly. I know, and Mike and Doug will tell you, at our board meetings, which happen every three months and every CEO is there from the steel producers and the national and regional directors of the steelworkers, the question is a simple one. Have governments, to use a Pavlovian example, had incentives and become juliennes of carrot: they used to be big carrots, now they're juliennes? It's not necessarily a problem. They used to be individual, they used to be community based, they used to be sectoral. They've noticed that the sectoral and community bases have been pulled out for the most part and the question they're asking is are we going back to sectoral approaches as an option or community based or should we act as individuals where each company goes at it on its own, each union goes at it on its own.

So whatever the decisions of governments are federally, provincially, I think I'm not remiss in saying we need an answer quickly because it's been three years up in the air and they've got to make decisions. They had a great time at CSTEAC and other councils but maybe the time has passed and they all have to go back. So it's not a question of us asking for subsidies or whatever. Frankly on the cost delivery ones I think our kick-in has been six to one on our training agreements and adjustment agreements. We've leveraged six dollars of industry training for each dollar of public. So we're not talking subsidies here. It's the capacity to access generally available programs individually, sectorally, on a community basis; whichever makes most sense at a given point in time for an industry. So I think that's a challenge but I think again it would be unfair to leave this conversation not answering Jim's question. You're right, Jim, that is the question and I think the answers are needed fairly quickly.

Moderator: Does anyone have any answers? Anyone want to comment on George's intervention?

Mike Carr:

If I could just pick up on one comment that Bruce made with respect to the Ontario experience. Certainly CSTEAC has found that relationship extremely beneficial. The problem we have when we move outside of Ontario is that other provincial jurisdictions define sectors differently and that's basically a fundamental of what the economy looks like in those provinces. I know in my own experience in Saskatchewan there's no such thing as a steel sector because there's only one employer there. The challenge that you have when you try and do things on a provincial basis is that you can't derive the economies of scale, you can't derive the synergies of working with colleges to manage risk. And so you end up in a situation where nothing gets done so this is a very critical issue for folks in Alberta, Saskatchewan, Manitoba, New Brunswick, Nova Scotia in this industry, in the steel industry because there just isn't a synergy that will allow that to go forward on a provincial basis. It's got to be done nationally and it's got to be sectoral based because that's the most effective delivery model.

Moderator: Any other interventions. Yes, Bert?

Bert Pereboom (Research Coordinator, Expert Panel on Skills and Peartree Consulting):

I've worked with – I counted actually about 10 of these sector councils over the, I guess the last decade. One of the questions that comes to me with respect to the question of funding is, should every sector council survive. Should the funding model somehow build in a test for the industry commitment to this education, skills, training agenda and so on? And it seems to me not every sector is either ready to establish a sector council or, you know, having tried it, has demonstrated the level of commitment required to deal with that. I think the funding model has to build, in some part, on the public goods aspect that sector councils deliver, because individual firms won't necessarily realize those benefits. But on the other hand there does have to be some sort of mechanism to say look, the industry just isn't playing ball here. They're not, you know, engaging, and I think it has to be at the CEO level. And so the industry clearly has to demonstrate their commitment to the ongoing enterprise. So some councils I think should fail so it's not a matter of the government sort of guaranteeing that every council would continue perpetually but the model has to build in some sort of, you know, obviously shared cost between public and private.

Moderator: Thanks very much Bert. Any follow-up to that point or anything else. Noah?

Noah Meltz:

Just on George's point and what Bert added. It sounds like somebody on the government side really has to take the initiative. You have a partnership, but in a sense with respect to the sectoral councils, there has to be almost a senior partner, and HRDC having started the process, if there are really different provincial views on this and because of the nature of industry that some span beyond and some are like the steel industry, one firm, is the message here that HRDC really has a major role to play in terms of the continuation and the support that's necessary? Obviously along with provincial agreement. But somebody has to take a primary lead on this. It sounds like it's HRDC and it sounds like it really has to be done soon.

Moderator: Any other comments on this issue from any aspect of it? Yes, Margaret?

Margaret Biggs:

I just wanted to pick up on what Bert mentioned because I think it's a really key point and I was trying to get at it, maybe a bit euphemistically when I talked about results. I talked about sustain and then I talked about results and the challenges that I was talking about weren't just for the council. I think it is for government to figure out how best to do this. If we know what sector approaches and sector councils can achieve in their optimum way, then we have to figure out whether we've got a proper basis for making them deliver on what they're really good at doing and they're really good at identifying what common objectives and common needs are so we need to have a common sense of what that kind of model and funding practice should be. But it doesn't mean that all councils need to live in perpetuity because they aren't all producing equal results. And so I think as governments we need to figure out how we can better serve and deliver on the public good that the councils are very, very good at delivering on. At the same time we have to figure out what's the most prudent way to invest public dollars. And that means that not

all councils and sectors are equally able to do that and so that it's sort of a bit of a yin and a yang, and I don't think that we want to give the impression that everything sectoral necessarily has to survive forever and ever. We have to put it on the basis of effectiveness and results. But we have to make sure that the way we do this isn't part of the problem rather than part of the solution.

Moderator: Any other comments? Yes? Paul?

Paul Swinwood:

I'd just like to respond to both Bert and Margaret. From the sector council point of view I don't think there's one of us that is sitting out there saying support us because we're a sector council. I think what we're asking for is contract with us to deliver, to deliver sectoral information to deliver what I call labour market intelligence. Contract with us to provide you with recommendations and input towards your policy people. Contract with us to provide something and if we can't deliver, then don't recontract, it's as simple as that. And so when people talk about core funding, I'm not talking core funding for the councils, I'm talking a contract that will allow the government to buy something of value to it. That would be my approach as to what we'd be looking for. And on more than a six-month basis. I mean give us a chance for a three-year contract that I negotiate once and we review each year for renewal, not six-month pieces that we go from here to here. Contract with us, tell us what you want, put our feet to the fire and make us deliver. And I guarantee you that a lot of the councils will be able to do that. Some of them won't. Some of them will not be able to do that in their sector but most of us will and I think that will strengthen HRDC and it will strengthen the federal/provincial relations.

Moderator: Yes, any other additional comments? No other comments. We've solved the problems of sector councils, which is before the time actually. We're very efficient today. Okay, well if there's no additional comments then I'm going to – oh, David did you want to make a comment?

David Slater (Secretary-Treasurer, Centre for the Study of Living Standards):

I really just want to raise a question. With the devolution of training responsibility to the provinces, are there things other than training which the sector councils carry out which HRDC could legitimately be in even though the training elements are a provincial responsibility, or is there another possibility, that there might be some fund put up and which would then be distributed with some provincial input? I'm trying to make my way through this, the Gordian knot of the devolution of training. Clearly the sector councils are very important in training but they must be engaged in other things too. How can HRDC and the federal government and the provinces cohabit this area?

Moderator: Anyone want to take that up, that challenge? George, do you want to just briefly?

George Nakitsas:

I can give you a very quick example from our experience. I don't think devolution has been the problem. It's a question of coordinating a federal/provincial new environment. I think if there's goodwill and there's agreement on two things, a series of principles around where sectoral approaches are useful and are not, and an agreement on results as opposed to rules based

programming, a really innovative world could be where we sit down with a province or a department of the province and with HRDC and look at who's got jurisdiction over who, kick in our six to one or five to one or four to one and the carrot should be smaller and smaller over time, I think everybody would agree with that. But it has to be beyond development, it has to be in delivery as well. I mean we're being very blunt here. If we don't get into delivery you're not getting 99 per cent of the benefits that you'll get on quality, cost, access, everything else. So that's a small thing. But the more and more we talk to each other, the more and more we could look at the mechanics of how we operate this. We have great ideas. We have traditional approaches of how we administer them. We are missing that middle part which says let's take a great idea, let's be creative on how we work together in these partnerships.

Moderator: Are there any other comments? Paul, you want to follow up?

Paul Swinwood:

Just responding on that one. When you talk about training, from my software council's point of view, one of the nominal parts that we've been involved in is training. What we're really involved in is career information at the high school: we tried the primary school and the post-secondary level as well as people who are looking at career changes. We're heavily involved in the immigration process where we've created a new process that we'll be talking about this afternoon for temporary workers from my high tech community. We are heavily involved in the school-to-work, or that first job. Everybody is aware that the challenge of getting that first job is probably the biggest issue facing all college and university graduates who haven't participated in co-op and of course you'll get me into that lecture on a whole other time.

But the interesting thing is that we've been trying to plan nationally but act locally and so we work right down with the individual community associations, right from coast to coast in all of the apprenticeship programs we're doing. And by the way there is an apprenticeship program unfolding for the IT sector. We just received the contract from British Columbia on Friday for implementation by September. So welcome to some of the challenges. When you ask is there something else other than training, there are lots of things. And some of those are for the public good. Some of those are national issues and that's where we need the support of both the federal and the provincial organizations to get it started. Some of my small companies couldn't care less about, you know, contributing to a training program to happen in another province. But I need to do that. And so there's where I need the national support while we're acting locally. We need to bring in the provinces, the associations, the industry right across the country. I don't know if you've flown lately but it's getting more and more and more expensive to get across this country. Thank you.

Moderator: Are there any other final comments? Well, I think we've touched on a lot of the key issues and challenges in this area. I'd really like to thank the lead speakers for their very useful interventions as well as all the other participants. So we'll break now. We'll reconvene at 10:30 to discuss labour market information. Thank you.

Session 2: Promoting a More Efficient Labour Market Through Better Labour Market Information

Moderator: I'd like to keep this round table on schedule. Our second session is on improving – promoting a more efficient labour market through better labour market information. And in the Expert Panel on skills report there were a number of recommendations on labour market information and you have them in your binder. We have four lead speakers who are very familiar with this area and I'm going to turn it over to them in a minute.

But first, here is something that caught my attention, from Friday's Globe and Mail. Some of you may have seen this document, "Top 100 Internet Sites for Learning and Employment" put out by Human Resource Development Canada, the youth section there. I'm really quite impressed by it. I don't want to give them a plug or anything but I think they deserve it and I hope that this afternoon we'll have copies here for everyone to see. I'm sure they have documents in both English and French. And it was very useful too, as career information. We may want to talk about this kind of career information.

So I'll turn it over to Noah Meltz who is Professor Emeritus from the University of Toronto and was a member of the Expert Panel on Skills and I think more than anyone else in Canada over the last 30 years or so has been working in this area of occupational forecasting and labour market information. I think it's most appropriate that he be our first lead speaker. He has informed me that he has to go to Toronto and then Boston today and he will be leaving around noon so his departure I don't think will reflect his protest of the session: he really has to get to the airport by 1. So Noah, I'll turn it over to you.

LEAD SPEAKER

Noah Meltz, Professor Emeritus University of Toronto and Member of the Expert Panel on Skills

I am delighted to be here, both as a member of the Expert Panel and for a number of other reasons that I'll mention briefly. First, I want to thank HRDC and the Minister, Jane Stewart, for sponsoring this Roundtable on the Panel's report. It is really great to see the support that the panel has gotten through the Speech from the Throne and the Minister's remarks last night. I also want to thank Andrew Sharpe for organizing the event and for inviting me. I'm sorry that Jacke Scott, the chair of the Expert Panel, couldn't be here, but fortunately with us are two colleagues from the staff of the Expert Panel, Bert Pereboom and Derwyn Sangster. I'm also delighted to be here because it is just a little over 40 years since I started in this field of research in Ottawa, with the Economics and Research Branch of the Department of Labour, the really old Department of Labour, that's almost been recreated through HRDC. And the final reason I'm delighted to be here is that I met my wife in Ottawa.

Andrew posed three questions for this particular session. Does the current system of labour market information, including career counselling and job placement, etc., serve equally well all client groups? Second, are there important gaps in labour market information? And third is a single window for labour market information an appropriate and realistic goal, and if so, what measures are required to introduce it?

I'd like to deal with all three questions by dividing the area of labour market information, and how it can increase the effectiveness of the labour market, into two parts. The first part is the bringing together of demand and supply through a faster and improved match of job seekers and job openings. The second part is the role of labour market information in providing additional potential for the analytical capacity and the implementation, downstream, of that analytical capacity, to improve labour market effectiveness.

Why do we want to improve the bringing together of demand and supply? What role does it play? The faster and the better the quality of the match, the less the loss of production and the easier the transition for job seekers, both employed job seekers and unemployed job seekers. The greater the ease in providing information to job seekers, the greater the improvement of this match and the more positive the impact on the economy. Second, for employers, improvement in the job – job seeker match means that employers can more quickly recruit the best quality of people for the jobs they have available. So labour market information is really crucial in terms of the matching dimension.

However, there is one thing that might be viewed as a downside to this improved matching process, which I want to mention and then qualify. In providing more information to job seekers and employers, one of the impacts is the potential for more turnover: people find out about jobs and then they want to change jobs and the same thing for employers looking for the best people. I say potentially negative impact, because if people aren't happy with their jobs they're going to leave anyway, and if employers aren't happy with the people they have there's going to be turnover. So what you're really looking for is an improvement in the job match through information.

This, in turn, relates to the question of the government providing a single window. Is a single window an appropriate, realistic goal? I think it's appropriate, and with modern technology it is realistic, but I think it's important to stress that it's going to have downstream effects or upstream effects – I'm not sure which direction the water's flowing. When you have a single vehicle, at least from a government perspective, this is going to affect the information that you need. For example, there has to be a common classification of occupations. When you have a single window there is going to be a desire not only to make sure that you're talking about the same occupation, a common classification system, but there is going to be pressure for more detailed occupational information.

This gets into the second question that Andrew raised, gaps in information. The most critical gap that we have is in detailed occupational information. HRDC does an excellent job in terms of the publication *Job Futures* and the Canadian Occupational Projection System (COPS), but there are limitations in terms of the depth of information that is available. People looking from the placement side need more information on job detail. There is one vehicle, and an outstanding one, that's available to provide information to both dimensions of the labour market, and that is the Workplace and Employee Survey (WES) of Statistics Canada. But it doesn't provide occupational detail.

One of the inclusions in the package that everyone at this conference received was an article about the IT (Information Technology) area. One of the references was to the problems of occupational classification and the problems in obtaining detailed information. Here is a suggestion. Although the Workplace and Employee Survey can't go into depth on all

occupations across the board, where there are specific occupations that are either in shortage or in surplus, this could be an area where WES can sample selectively. You can start with in-depth examinations for some selected occupations.

To improve the immediate operation of the labour market, yes, a single government window is desirable and feasible but we're going to need common classifications and we're going to need more selective, additional information. This single window will not preclude the private sector offering alternatives. But it will put pressure on employers to standardize and to have a common language in terms of what they mean by skill requirements. The Expert Panel put a lot of stress on what are called soft skills. There's been a study of the American labour market that says, there has been a huge increase in the number of educated people in the U.S. labour market, based on the number of highly educated graduates, and yet wages for high skilled workers are rising. It should be the other way around. The study found that the problem related to the softer skills for which years of education do not totally measure labour market effectiveness or the ability to get jobs. These softer skills, referred to as cognitive skills by the authors, relate to such things as literacy and management skills. They found there were a lot of educated people, in the sense of having many years of schooling, but there was a gap in terms of the cognitive skills that enabled people to function more effectively in the labour market. (Frederic L. Pryor and David L. Schaffer, *Who's Not Working and Why? Employment, Wages and the Changing U.S. Labor Market*. Cambridge, UK: Cambridge University Press, 1999).

The second dimension in terms of the labour market goes beyond the immediate matching, and that is providing the potential for increased analytical capacity to improve the effectiveness of the market. One related aspect that's also fundamental is career counselling information. Obtaining a first job through co-op programs, as mentioned earlier, is really important. But the career counselling side, and we stress this in the Report of the Expert Panel, deals with both analyzing how labour markets are functioning and the question of who's giving the information on career opportunities. There's no formal training program for career counsellors in Canada, even though we have thousands of people doing career counselling. So the Panel recommended that there be a program in this area to help to train career counsellors and that it include understanding how labour markets function.

A bigger gap is analyzing the data that are available. We have repeated occupational shortages in Canada. I did a study of nurses a decade ago when there was a shortage and it was called the shortage of registered nurses, then it became a surplus, now I'm back in fashion again, there's a shortage. We can do something when there are cycles, or persistent imbalances, plus or minus. We need to devote more resources to analyzing labour market developments and that's why the Expert Panel stressed that the SSHRC (Social Sciences and Humanities Research Council) should be putting more money into encouraging research on labour market analysis. Another related input for analysis would come from the Panel's recommendation for the creation of a Centre for Labour Market Statistics at Statistics Canada.

I want to mention one last thing, and this relates to what Doug MacPherson mentioned earlier in the session on sectoral councils, the crucial importance of linking employers anticipated skill needs with planning by training and educational institutions. Nobody can anticipate everything, but if there is consultation, this can reduce the time lags in changing the supply of skills and can also harmonize more effectively what employers want, with what educational and training groups are providing. Even if you're on top of this all the time there can be surprises, but if the employers, hopefully through sectoral councils, communicate their needs and work in

partnership with colleges and universities in terms of where they're going, then I'm convinced this will make an enormous contribution to the effectiveness of the labour market. [See: Noah M. Meltz, "Linking Universities and Industry in Advanced Training" *The Proceedings of the Symposium on the Universities' Collaborative Role in Training and Adjustment*, Toronto: Council of Ontario Universities, 1994, pp. 7-30.] Thank you.

LEAD SPEAKER

Margaret Roberts, Consultant

First of all, I would like to start by thanking the organizers for giving me this opportunity to express my point of view related to the development of improved labour market information.

I will concentrate on infrastructure needs. These are often overlooked and under funded, and they require a long-term commitment but are politically not very exciting. They are however, absolutely essential for the production of good systems of labour market analysis, the production of labour market information, career information, job matching, the selection of immigrants, and statistics.

I will focus on:

- a review of the Expert Panel's comments regarding monitoring systems;
- some thoughts on the nature of the world of work;
- the need for skills infrastructure;
- the necessary role of the national occupational classification; and
- the need for stable and continuous funding and support of occupational research and development.

With regard to understanding the labour market the Expert Panel comments included the following:

- We must improve monitoring systems. From discussions held with leading authorities, it can be concluded that Canada's labour market monitoring systems, although among the best in the world, will have to improve in order to keep pace with economic and technological change.
- The basis for data collection must shift away from occupational titles and focus more specifically on the skill sets actually required for any given – often rapidly changing – occupation.
- The question of skills versus occupations is also central to our discussions of Canada's labour market monitoring systems. Many of the labour market monitoring and projection

tools, especially those featuring quantitative statistics, are primarily occupation-based. Some skill-based data sets exist, but are still in their infancy and cannot be used easily to monitor labour market dynamics.

- Should we focus on skills or occupations? The distinction between skills and occupations is important. A skill is the ability to perform a task, while an occupation is the label attached to a job or kind of work requiring a given set of skills. Unfortunately, the skills and attributes employers seek seldom come in neat occupational packages and, increasingly, those employers are looking for more than just technical or scientific capabilities
- Occupational labels, which can be quite static (despite the best efforts to incorporate changes), cannot do justice to the constantly evolving and expanding mix of technical, management and essential skills and attributes sought by employers.
- There is a strong sense that current occupational classification systems are too slow in capturing and describing new occupations, many of which are connected to emerging technologies in newer sectors. Even with occupational titles that remain constant over time, the duties and skills required of individuals in these occupations are likely to be changing continuously. The statistics on these occupations may not capture very important skill changes unless the skill sets that are integral to various occupations are regularly monitored and updated.
- Equally important will be enhancing Canada's capacity to analyse labour market information and put it to use.

Relevant Actions recommended by the Expert Panel:

To strengthen our capacity to understand labour markets, by

- identifying and documenting the skills required in science and technology occupations; and
- encouraging stakeholders to adopt standard definitions, measurements, and terminology in relation to skills.

1.1 *The Panel recommends that the Minister of Human Resources Development Canada, in collaboration with the Minister of Industry (as Minister responsible for Statistics Canada), proceed with the highest priority in 2000 to identify and document the essential technical and non-technical skills required in scientific and highly technical occupations.*

The World of Work:

- the world of work is in fact made up of jobs, sort of like a population density map, the dots all being jobs.
- It's mostly disorganized
- Occupations are artificial constructs that help us to make sense or talk about work. They are more or less useful depending on the commonality between jobs. They range from well established occupations such as teachers to simple collections of jobs with little in common such as traditional manufacturing jobs (textile workers).

- There is a lot of information encoded within the definition of an occupation.
- Skills describe facets of work that are not normally included in the sense of occupation. They too help us understand the world of work.

The Need for Skills-Based Information:

- This need has been recognized for a long time: there is nothing to debate in this regard. The value of skills-based systems has been recognized and worked on within HRDC for over twenty years. Its need was recognized in the Labour Market Development Task Force in the 1980s.
- Skills-based information is important in the fields of job matching and detailed labour market analysis. Standard skill sets provide a common language for studying and discussing skills.
- The Expert Panel Identifies 5 Different Types of Skills:
 - Essential Skills;
 - Technical Skills;
 - Management;
 - Leadership; and
 - Contextual Skills.

Its recommendations are limited to the first two, as are my comments.

Technical Skills:

- HRDC has some of the information required to develop a system of technical skills.
- The elements that make up the detail of the Electronic Labour Exchange (ELE) provide a starting point. However, they have been developed separately for each occupation, and are not consistent across occupations.
- This is a lot of work. Development of a world-class system will be time consuming and costly. Development and national validation would be required. I don't think there are models from other countries that could serve as a template. Canada is really a leader in studying work and developing systems to explain it.
- There would have to be a very careful needs analysis to understand precisely how these skill sets would be used. Especially important would be the level of specificity required. If it is too general it will have the same problems as occupation, that is, it will not precisely identify what is necessary. If it is too specific, it will result in thousands of skills that would be un-usable. Issues of data collection would have to be addressed.
- Assuming all this is done, the skill sets should probably be related to both occupation and industry.

Essential Skills:

- Essential Skills have already been developed for lower skill levels. They have yet to be developed for professional, technical and trade occupations.
- This is a lot of work and must be based on in-depth, consistent studies of work. It is not simply a question of identifying the requirement for a skill but also for determining the level and type of application.
- This work is important not just for labour market analysis but also for students, teachers, and workers.
- It may lead eventually to a common understanding of what skills are necessary for general types of work as well as individual occupations.

This research and development may go a long way towards dealing with the issues of literacy that the Minister mentioned last night.

The Question of Skills versus Occupation:

I think this is a non-issue. Several people mentioned it to me. In some passages of the Expert Panel's report, there seems (to some) to be an implication that there is a conflict between the concept of occupation (and classification) and skills. I did not get that impression. In my opinion these concepts are in fact complementary.

It's about Structure and Flexibility:

Classification provides the structure, framework and context. Skills (and knowledge) allow us a detailed look without the pigeonholing that occurs when occupations are defined very specifically, as was done previously in the Canadian Classification and Dictionary of Occupations (CCDO).

The National Occupational Classification (NOC) Remains the Cornerstone of Labour Market Information:

As mentioned by the Expert Panel, the NOC is very highly regarded around the world.

- The NOC represents a new approach to occupational classification. The classification structure of the previous system, the CCDO, was rather like that of an encyclopedia; it provided a logical organization of occupations. The structure was designed to provide a means of systematically organizing and coding jobs and occupations.
- The objective for the NOC was more ambitious. The new classification was designed to provide a map of the world of work that would help labour market analysts, researchers, counselors, students and educators understand, not just the content of occupations, but the relationships between occupations. These relationships were to be based on empirical rather than theoretical observations.

- The NOC is based on four principles of classification: skill level, skill type, inter-occupational mobility and industry. Every unit group (four-digit level) was designed on the basis of skill level and type of work.
- The design principle regarding inter-occupational mobility was as follows: mobility between occupations within a unit group should be greater than mobility to any other unit group. Further, the placement of unit groups within the skill types of the matrix was designed to illustrate paths of inter-occupational mobility.
- The information regarding potential inter-occupational mobility is most commonly not explicit, but rather inherent within the NOC structure.
- Industry was applied as a classification principle when occupations could be best understood within that context. This was the case for production workers in manufacturing and processing occupations as well as for workers in agriculture, fishing, mining and forestry. There is little inter-occupational mobility outside the industry and career paths are characterized by movement within a specific industry and often within a company.
- The NOC matrix is a framework for understanding the world of work.
- Because every unit group, minor group and major group has been classified according to common skill levels and skill types, it is possible to present the NOC as a matrix with the four skill levels presented vertically and the ten skill types horizontally. Within this matrix, all major and minor groups are plotted.
- The skill types at the broadest level were designed to reflect labour market realities such as occupations dominated by systems of internal progression or occupations dominated by particular types of university or college training. As a result, the matrix provides a framework for understanding the functioning of the world of work. That is why it is so popular internationally.

These features of the NOC are unique to Canada. The Expert Panel mentioned that users must be given the help necessary to understand the monitoring systems. I am not sure that users of the NOC fully understand or utilize many aspects of the NOC. I suspect many use it as the old classification was used, that is, simply as a list of occupational titles.

Funding:

I think Canada should be proud of what they have achieved in this field. If the occupational systems are to be maintained and enhanced, it will have to receive consistent and reliable funding. This is a very specialized area of research and it is important to maintain the capability within HRDC. The development of technical and essential skills is certainly something that HRDC can do within its mandate. As with the development of the NOC, work must proceed closely with the Provinces/Territories and the private sector.

LEAD SPEAKER

Elaine O'Reilly, Senior Consultant, Canadian Career Development Foundation

Noah has said there will be better worker/job matches, that is, the matches will be more accurate, they would be made faster and they would be made with a built-in flexibility to ensure uninterrupted adaptation to changes as they happen in the workers and in the work to be done.

How can LMI be used to enable this increased efficiency? From the perspective of career practitioners, labour market information is part of the career information that enables people to make plans and decisions to move into and manoeuvre their way through the labour market. Whether the required information for informed decision-making exists, is accessible, how accurate and relevant the information is and whether the users know a process for applying the information to their own situation will directly impact the efficiency of the labour market.

Several years ago at a gathering similar to this, I compared looking for labour market information with a visit to the local dump. It is not a place for the faint of heart. It wasn't easy to sort through everything that was left at the dump and find something useful. I described what I thought at the time would be an improvement. My vision of improved access was a well-organized warehouse with all the information easy to reach, neatly packaged and well labeled. At that time I was very impressed with the information and all the data we had access to that was formerly out of reach. When the excitement cleared, disillusion with stand-alone information took its place.

The compilation of information had little value in and of itself and needed to be consolidated into knowledge to be useful. Many businesses and industries have learned this through experience. Data gathered by data workers will sit forever until a knowledge worker finds a way to apply it. As Joanne Bolsby, the creator of Explorer and Career Tour in the States says, "Information, information everywhere and no one trained to think." I, along with the other would-be LMI users quickly woke up to the fact that even though there had been progress and the LMI had made its way from the dump to the big organized warehouse, there emerged a major challenge in making it useful.

And the key challenge for my organization and for others who work in career and employment development is enabling end users to use the LMI warehouse. It's only an elite few who know where to go and what to find in the boxes of LMI in that warehouse. They're the economists and the statisticians who pack and store the boxes. The person who is entering the warehouse, even if it's well stocked and well organized, may spend a long, long time searching in the aisles and the shelves for the box she thinks she needs. Eventually some users may find certain boxes with content that seems to fit their need, but that's not the end of it and most users don't know this. Even though the client on their own, or with some guidance, has located what seems to be an appropriate information box, she may not realize that more times than not the box contains data that is yet to be turned into knowledge. Without wearing a knowledge worker's hat she might perceive the piece of information to apply to an entire population whereas the producer knows that large amounts of the data in the warehouse are averages. Expertise is needed to recognize what is missing. The client may not realize when her needs are unique or when the data is unique.

The key challenge of enabling end users is based on two fundamental issues.

Issue one

There's a very distinct separation between production and distribution of Labour Market Information (LMI) and the delivery of service, and that is a hindrance to many clients. A good deal of LMI lacks user guides and training that would enable HR personnel or career employment practitioners to get the most out of, and to make valuable this information to the clients. In order for a worker to make career plans and decisions related to their own needs and to the labour market needs the process of finding relevant information needs to be integrated into their learning for use throughout their career. The service side of LMI is a part that allows the information we are so copiously developing to be used effectively. It needs to be connected to the information side. In other words, the producer can't stock the shelves and leave a forklift at the front door of the warehouse for the customer.

Issue two

Gaps in LMI interfere with efficiency and career planning and career decision-making. One of the most asked for pieces of LMI by the average person who goes in to find some information from practitioners is local work opportunities. Which companies in the community are hiring, and what skills are employers in those companies looking for. Clients can't find this information and practitioners can't find it for them. It's only a very select client group who are able for themselves to analyse and understand their own skill sets and observe and analyse skills in the market. Even fewer can find a way to get skill specific training fast. In other words if you want an efficient labour market we can't give out rain checks to the customer for empty shelves.

What can we do?

The following will help us with our key challenge of enabling clients to plan and make career decisions for themselves and for the labour market:

- We need data providers and service providers to work together to ensure customers can not only find but also interpret and use that LMI.
- We need to train workers and students to move from data to knowledge and to identify their own specific needs for information and to use diverse research strategies to gather questions and validate what they find.
- We need to support companies to work with their own local communities, the boards of trade, chambers of commerce, to provide specific up-to-date information for publication for all the community members.
- We need to find a way to support business and educational institutions in providing specific skill building opportunities for employee upgrading outside of the institutions focussed on whole program delivery.
- When developing a common language, we need to remember the importance of plain language as well.

Together these steps will contribute to an increase in targeted, quick, adaptable responses which would enable better worker/job matches and a more efficient labour market.

Moderator: Thank you very much.

LEAD SPEAKER

Ron Stewart, Director General, Program Branch, HRDC

I'm going to give a short presentation on HRDC labour market perspective on labour market information. Certainly within HRDC there is a significant amount of product development that takes place. I think the major challenges lie in the area of coordination, integration and dissemination as to where we want to go. I agree with Elaine, the critical thing in high quality labour information is that it's got to be timely, accurate, relevant and accessible. If it doesn't make those four tests then no one's going to bother with it. The present situation in HRDC is that we have about 150 staff dedicated to analysing labour market information at the local office levels. And I really think that the local office area, the local level is critical. Anyone who goes in looking for labour market information, well not everyone, but 95 per cent of those people, want to know what's happening in their community, what their jobs and opportunities are. So an investment at the local level is imperative and I think it's probably an under-investment at about 150 people across the country dedicated to this function from HRDC.

There are some good things. We have the National Job Bank. It's Canada's largest job site. There are 2000 job orders and renewals per day placed in the job bank and there are 450,000 jobs listed there per year. And there are 38 million pages viewed per month by the general population. So it is a big site. It is the sixth busiest site in Canada. It may have slipped to seventh with Napster, I'm not sure, but it used to be sixth. We have Job Futures, national and provincial versions. We have CanLearn which is post-secondary education information on options and financing and this was an Internet 2000 award-winning site for learning. There's local, as I mentioned, local labour market information sites in each of our local offices. We have the National Occupation Classification System. We have distribution networks such as the Internet kiosks and publications. As Andrew mentioned, this document that came out on the 100 top Internet sites for learning and employment, it was produced by our youth directorate, a very good item.

But there are issues and gaps; there's no question about that. There's a lack of integration and coordination among the product sources and programs. We did a survey. There are about 3000 labour market information products in Canada. So there's probably some degree of overlap and duplication in that meld. There's certainly a need to make new and existing LMI products and services more relevant, that is timely and targeted and accessible. The information isn't always tailored to client skills and needs. There's a lack of awareness of existing skills, related products and services. There's a lack of appropriate media to access information and there's a shortage of skilled staff to develop and deliver LMI, at least in an HRDC context. We are working with the provinces through the Forum of Labour Market Ministers (FLMM). There is a federal/provincial coordinating activity on this. There is a permanent secretariat established in Edmonton co-funded by the federal government and the provinces and territories. There is an FLMM agreement to create a more coherent, relevant, individualized, accessible and coordinated approach to the development and delivery of LMI at the local, provincial and national level and that's an actual FLMM agreement.

How are we going to try to address some of these gaps?

Well first, information is not tailored to client needs. We're going to have to target it to meet user needs. This will mean gathering and providing data to identify what skills are in demand. We're going to need to integrate the labour exchange portal with the job labour market information, work destination and work search products. And we have a new employer's online site to help small and medium sized businesses. That latter one was co-produced with Industry Canada and it's a very, very good site and it could very well end up being the main employer portal for government online.

We need to build the capacity at our local level through staffing and staff training. We need to improve our feedback mechanisms to get better live information and feedback on how people are finding the systems. We get a lot of feedback on the Job Bank. People really like it but they're very disappointed when they don't get a job so we tend to get more negative feedback on that although they like the site. We've got to promote our products better than we do. This is a good start but we've got to do more of that. We've got to advertise. You see monster.ca gets a lot of advertising. You don't see any advertising for the Job Bank or very little advertising for things like the Job Bank and some of the other products that we have.

So hopefully, what we want to go from is the situation right now which is focussed on the unemployed (that has been traditionally the primary focus of LMI within HRDC) to one that's really focussed on all Canadians and probably on the economic class of immigrants abroad that we wish to attract. We've got to go from finding a job focus to finding a job and also skills upgrading. We've got to move from independent systems to a coherent system. I'm reluctant to say integrated because in the real world we would probably want to have hot links to numerous other sites. But there are numerous legal issues. There are proprietary issues. It's a little bit like somebody coming over for dinner and during a good conversation you say well maybe my neighbour could help you. You might be able to take that person and drop them at the neighbour's door but you can't really walk into the neighbour's house and sit him down at the table unless the neighbour is welcoming of that individual. We want to go from generic to individualized information, provincially and locally relevant, and we want to go from a limited access situation to multiple access options. It takes time, it takes money, it takes commitment and it takes effort but that's our vision and that's where we'd like to go.

PARTICIPANTS' DISCUSSION: SESSION 2

Moderator: Thank you very much Ron. That was a very good overview of products that Human Resource Development Canada provides in the LMI area. Who would like to get the discussion going? Who's first on our list here? Sherri?

Sherri Torjman (Vice-President, Caledon Institute of Social Policy):

Thanks. My question is for Ron and just to pick up on your point about timely and accurate information, we work with a number of local and regional governments that clearly are concerned about timely and accurate information with respect to the local labour market. One of the concerns that they have is that much of the information is two years out of date by the time they get it or it's a two-year let's say historic perspective and they get a picture of what their labour market looked like two years ago and I know that that probably could be advanced. But I guess what they're really asking for is a prospective view on what might be coming down the road and I wonder if there's any work going on with respect to some of the prospective labour market information. And my second question just had to do with whether local help wanted indices take into account some of the electronic hiring banks to which you made reference.

Ron Stewart: On your latter question I don't know.

Sherri Torjman:

Because we've heard that they don't. We've heard that they look primarily at print adds in newspapers and that they may be capturing perhaps, you know, 30 per cent of opportunities in any given community in addition to other kinds of sources of information. So that's just information. Thank you.

Ron Stewart:

In relation to your first question there is work taking place, for example in the metro Toronto region where we've managed to pool our labour market analysts into one location. They're going out to a lot of employers, going out to the chambers of commerce, folks like that and trying to get some projection of their skill requirements. Again it comes back, Sherri, to that issue of resources at the local level to get out there and do this kind of work because it does require either physically knocking on doors or electronically knocking on doors and getting the attention of the people, the managers, etc., getting their attention to sit down and focus on future needs and I think that the sector councils are going to be a very important player in the labour market information as we move out but there is activity taking place in that.

Sherri Torjman:

Just a brief follow-up comment. There was an organization in Winnipeg that had told us they were trying to go out and find out about local jobs and when they asked employers about jobs they didn't get a very good response but when they asked employers about what work they had available they got a very big response and employers were making a distinction between jobs available and work available which they found very interesting because they were able to put together some jobs through combining pieces of work for many people who formerly were unemployed.

David Slater (Secretary-Treasurer, Centre for the Study of Living Standards):

I was in the Department of Finance when we did the first survey and the problem was that it's a little like an index number problem. You want to have fairly consistent coverage so that you have got something that's reliable as an index but you've also of course, and that's why the thing really was based on newspaper, a set of newspapers, what you have of course is a little like a quality change in the price index. How do you work in as a proper index form sources of information other than lines in a newspaper? I'm sure it's possible to do something but it isn't easy. The interesting question I think would be whether the help wanted index is a reasonably good proxy for what's going on overall. It's years since I've been at that game so I can't say. But it certainly is a question that could be investigated.

Moderator: I have a list here so get my attention and I'll put you on the list. I will start with Bruce Baldwin. Bruce, did you have a comment?

Bruce Baldwin (Director, Ontario Ministry of Training, Colleges and Universities):

Thanks Andrew. The issue was obviously too complicated for David Dodge to deal with, I mean he had to move on to easier issues to resolve and hopefully he fares better on those. I'd certainly support the notion that the biggest gap we face on the labour market information side is in the availability of locally relevant information. People don't make decisions on national averages and telling people the national average in an occupation is useless and perhaps quite harmful. You trade that off, the difficulty in getting accurate information and especially information that allows for some projection at a local level. It becomes really, really difficult in terms of the availability of local statistics that you can start to apply to make those projections. When you start forecasting, you need to look at retirement issues, projections of growth within industry and within firms, start to look at the supply of people coming through education and training systems to start to sort out what the balances or imbalances are. Some of those issues around projections on retirements and growth from firms are issues that are a little bit sensitive for firms and in some cases on a provincial or a national basis a firm might be able to share some information because it gets aggregated and it's hard to tell where it's coming from. You lose that when you're dealing in a local basis, when you start asking nickel producers in Sudbury what's going on. You can narrow those things down a little bit easier. So you do start to lose some of the accuracy of projections at a local level.

This leads to my other point, which is about dealing with users, both individuals who are making decisions and people who are assisting in that decision-making process. We need to attach some degree of cautions to the information that we're providing. Again, forecasting models are – we don't have a wonderful track record. Nursing as an example is probably a pretty good one where it's hard to factor in all of the policy decisions that affect the supply and demand of nursing overtime and we have to realize that say, kids leaving high school, are starting to make decisions that will only start to bear fruit five, six, seven years down the line and you know we need to provide the best information we can but we can't pretend that that's going to be smack on every time.

Moderator: Thank you. Lenore?

Lenore Burton (Associate Director General, HRDC):

They say that language frames thought and the trouble for too long in the past has been I think that labour market information is too narrow a construct or we have used it in too narrow a way. We've used it in the sense of matching a job seeker to a job and I would hope that we would add complete information to your four standards of timely, accurate, relevant and accessible information. If that's the job that's available in my local area, these are the skills that are required, how do I go about acquiring those skills? I would use a different analogy than warehouse, Elaine. I would use a marketplace. The trouble with a warehouse is things are in boxes and they're not always visually displayed so that I know what box I need to go to. But in a marketplace I can buy my vegetables and my bread and my cheese, etc.

Unless we are able to bring in that whole aspect of skills that Margaret referred to and connect that skills construct with where do I acquire, how do I acquire that knowledge and that ability to do something, we're really limiting ourselves in our thinking on where we should be going with labour market information and I want to add my voice to Margaret's saying that whole emphasis on developing the technical side of the NOC to a better understanding of what skills and at what levels are needed in the labour market is absolutely critical now. That's what's going to lead us to where do I find the learning that'll help me acquire those skills and it's also the critical foundation piece to recognizing the skills that people already have and I'm thinking about for workers that have been trained in other countries, it's really difficult for us to go through the process of assessing exactly what skills they have because we need that benchmark against okay, if this is what they know and can do, and this is what they need to know and be able to do in our labour market in Canada, we need that foundation piece, we need that NOC to be developed.

Moderator: Thank you Lenore. Andrew Jackson, did you have a comment?

Andrew Jackson (Director of Research, Canadian Council on Social Development):

I just wanted to flag quickly a couple of items that I'd see as labour market information gaps that are kind of relevant here that should be filled. The fact is most of our labour force information comes from the Labour Force Survey (LFS), which of course tells us a lot in terms of occupation and education levels of workers and whether people are employed or not, but does tend to lead us to the kind of assumption that there's a very close fit between the occupation of a person in a job and the needs of the job. This is somewhat problematic when you think about it for a moment, especially when you think about most job vacancies being filled by people moving around between jobs constantly within the labour market. It seems to me that there's a really important thread of analysis that was developed by Graham Lowe and Harvey Krahn using quite limited data from the general social survey which was really asking people about the fit between their skills and education and experience and the actual jobs that they were working in which disclosed quite a fair amount of under-utilization of skills in jobs and suggested there's actually a fairly major reservoir of skills out there that aren't being well tapped. But the information base for that kind of analysis is really limited. I mean it's just sort of occasional questions on the general social survey. You've got much richer sources of data for some of those issues on some of the European quality of working life surveys that really get at the use of skills on the job. So I'd see that as a really big kind of information gap that we should be trying to fill.

The other one that strikes me as a bit of a gap, and I might be off base here, but the LFS of course is just a series of snapshots, but we now do have the SLED following a sample of people

in the labour force all the time. I'm not sure anybody's done much analysis on SLED of actual career trajectories and the extent to which people shift from one occupation to another, what sort of trajectories over time look like. So I think that's a fairly elementary level of analysis of what's going on in the labour market. It's a really important question, I think, for individuals. What are the kinds of jobs one should access that lead to much better career trajectories and options over time as opposed to the kind of employment/non-employment things? So I think both of those areas are worth exploring.

Moderator: Thank you Andrew. Lars, do you have an intervention?

Lars Osberg (McCullough Professor of Economics, Dalhousie University):

I'd like to raise the issue of the costs and benefits of different types of information. Think of the old style of information about capabilities, the old style curriculum vita, it was kind of a backward looking thing. It said what you had done in the past, like what jobs you'd had, what courses you'd taken and the person who read that sort of imputed from what a person had done what they were probably likely to have in the way of skills. If you've been an assistant deputy minister for a while we know you're a very political animal and work very hard and all that sort of stuff. But the big advantage was it didn't take very many resources to prepare and it was pretty verifiable as to whether it was true or not. Now the new style CV you'd say to everybody well I'm a wonderful person to work with but as the standard phrase goes well he would say that, wouldn't he? And the question is therefore how do we verify it? And what's the cost of verifying it?

I thought I heard the suggestion that we were going to have a skills inventory for Canada as a whole and a whole range of skills which are admittedly very important like the ability to work with people and all sorts of other things but which are inherently pretty soft and very difficult to measure and very difficult to categorize. And of course these are about people who are continually changing and about jobs that are continually changing and so are we going to come back and revisit these people every six months and find out whether they've developed new social skills? How are we going to keep this sort of inventory up to date? And when we have a whole set of new skills like visualization of web sites or whatever, how are we going to change this filing system for this well organized warehouse? So I'm mainly just wondering if there's any idea out there about just how much it's going to cost to update this filing system for this well organized warehouse or update this inventory of the national bank of skills and all these huge number of dimensions of whether it's actually required in real life in constantly changing jobs.

Moderator: Does anyone want to respond to that question before I go on to the list of speakers? Yes, Margaret.

Margaret Roberts:

I wanted to mention that, in my discussion anyway, I was thinking strictly of technical skills and skills that can be tested. I think the Expert Panel breaks skills down into several categories but the recommendation only applies to two. One was essential skills and the other was technical skills and they identified the other types as I think management skills – I've got it here somewhere but in any case, interpersonal type skills, etc. and certainly that's not what I was talking about. I was talking about sort of hard skills. Okay, leadership skills, conceptual skills,

management skills and essential skills and technical skills. But the recommendation was only regarding the first two.

Moderator: If there are no other comments on that issue I'll go on to our list. Elizabeth Beale.

Elizabeth Beale (President and CEO, Atlantic Provinces Economic Council):

Thank you. I wanted to comment on the use of labour market information for two functions, one to improve the product line and the other the data and build-up of research and analytical capacity. That's the area that I would like to focus on as being extremely important, both to help us to take more of a long term perspective on labour market changes but also because there is a real need to disseminate this information beyond the individual departments and partners who are involved in the program delivery. The whole flow of human capital now is so pervasive right throughout the economy that we all need a better understanding of this. So in that context I really want to endorse the recommendations of the Expert Panel. There are recommendations there that really go after this.

On the first one with respect to the Social Science and Humanities Council there has already been 100 million over five years targeted at a new economy initiative and most of that initiative is being directed at issues related to human capital so it's not exclusively a labour market initiative but the way it's going it looks like it will focus very much on issues such as education and training, lifelong learning, a whole range of issues related to management skills and occupations. So it's not everything but it's certainly a start in that direction.

On the topic of the federal/provincial labour market research fund again I think that's an extremely progressive idea to sort of match the partnership that's happened on the program delivery side in terms of federal, provincial, and other players. But we don't really have any capacity yet to bring all those research questions or coordinate or enhance the research effort in that area. So I think that would match it. And similarly on a centre for labour market statistics I think Statistics Canada and other players would be very receptive to doing that. We've had many discussions around Statistics Canada on the need to provide more coordination and a more enhanced effort in terms of labour market statistics.

The other point, which is really related, is that a number of the speakers referred to the need to coordinate and integrate and disseminate and I strongly and heartily endorse that. We're getting some very great information now at the local level which is improving program delivery and improving the partnerships but we don't always have any mechanisms to disseminate that back up the pipes to other partners and so in other words the information often goes on the corporate service side rather than up to researchers and we have, for example, within Atlantic Canada a number of small units. We really don't have any capacity at the moment as I understand it to provide any coordination on any of these research issues that would come out of this whole area. So again, I very strongly endorse that.

Moderator: Thank you Elizabeth. Deborah.

Deborah Burns (Acting Executive Director, Planning, N. B. Dept. of Training and Employment Development):

Thank you Andrew. I want to make a couple of points, of which some have already been made. But any of us in the field who work in the field of labour market information or work with people who do, it's a really tough job because we don't have a definition of what LMI is and I think many people who produce or deliver labour market information have run into users saying well the information was no good. And the reason they're saying that is because it either didn't tell them what they wanted to hear or when they said LMI they were thinking job vacancies and someone else is thinking wage rates in a certain part of the city and someone else is thinking a skills profile. So when we're talking about developing or providing or seeking labour market information, we have to make sure that we're all speaking the same language and knowing what we mean.

I'm totally convinced that we have to go skill based not occupational based. I also like the notion of work as opposed to jobs. In New Brunswick we have done considerable work on the skill based idea and have had quite a bit of work done towards defining sets of skills as opposed to occupations. Labour profiling or skill profiling is a major concern of our government now and we have a major mandate to proceed with that and also of course working with our federal colleagues on it.

The importance of the LMI and the skill profiling in terms of taking a defined area and saying here's what the skills of the people there look like, that's what I mean by profiling. It has a very important role in economic development and we have come a long way in convincing our economic development partners that they can't just say okay, this is the industry or sector we're going to grow in this area. They also have to consider what are the skills of the people in that area are now, so therefore what types of industries have the shortest training gap between what the people have now and what they need for the industries that they want to develop. So the LMI I think has a very important role, both on developing information about the supply of labour and in developing information about the demand for labour, and we have to stress that part as well.

Moderator: Thank you. David, did you have some comment?

David Stewart-Patterson (Senior Vice-President, Policy and Communications, Business Council on National Issues):

Thanks very much. I wanted to follow up on a comment that Sherri Torjman made and particularly the distinction she addressed between jobs that are available and work that's available because I think that touches on an important aspect of the whole question of what governments should be trying to do in terms of improving LMI. I'm kind of skeptical about the notion that we can feasibly create a single window, if you want, with a uniform language in terms of a predictive tool, in terms of offering people good information about where jobs are going to be available and what kinds of jobs are going to be available. First of all, the market for that kind of information is essentially customer driven now. It's not something governments sort of, you know, graciously supply to the population. People will seek information from all available sources. Governments can, you know, through a jobs bank and so on, make a valuable contribution to that, they can enhance the quality of information available, but they certainly can't monopolize it and as a result I don't think they can monopolize the language either, certainly not when it comes to the definition of jobs.

The comment was just made about the need to move to a skill base from an occupational base and I think that's very important because frankly the big problem with trying to have uniform language in describing jobs is that the job descriptions themselves are changing too often. Even within a given employer description, new skills come into play, become required constantly, and even individual companies are not terribly good at predicting how many people they're going to need in a particular job even months out, never mind the years out that would be required for somebody to make a useful choice about well, what courses should I take now for graduation four years from now. And while uniform classification may help you capture existing gaps in the labour market, we're now short by umpteen thousand nurses and that's a problem we have to deal with, it doesn't capture emerging job classifications. In the early 1990s, it's not that many years ago, when I was still in the journalism business, the first time somebody said, well if you want a hot job in the media business start learning how to be a web master. At that point it was a term that wasn't even defined and yet I think everybody around this table has a web site at their organization. They know they need people to develop it, run it, run it effectively, enhance its utility and so on. Trying to capture, you know, what the next decade's web master classifications are going to be, it becomes very difficult.

Where I think common language is needed and would become very useful comes in the area of skills and skills recognition, particularly recognition of credentials, recognition of equivalency in terms of training. Paul Swinwood mentioned earlier that there are 4,876 different IT training companies offering courses out there. Well one observation that flows from that is clearly there's a huge need out there for training that isn't being met by conventional colleges and universities, that a whole bunch of people have figured out how to respond faster to the kinds of training people want and require. On the other hand that proliferation has created another problem, both for employers and for employees in terms of figuring out well, I've got a credential from this IT institute, what's it worth, what's it equivalent to? If I go to a new employer, how does that new employer know, you know, how to integrate what I already know, how to go into the ongoing training program that that employer may offer? For an employee, in terms of making decisions about should I go with this college or that college, that institute, again a better understanding, a common language, if you want, in terms of what's this credential going to be worth, what is it going to enable me to do. That kind of information is both feasible to develop and would be more useful.

So I would suggest focussing on a common framework, not for trying to predict where the job gaps are going to be but for measuring what people learn, what they know, what work they can do. And I think that would be a more useful tool because that then links into, as Lenore was saying, what skills should I be trying to acquire and where can I acquire them?

Moderator: Thanks very much David. Margaret did you have a comment?

Margaret Biggs (Assistant Deputy Minister, National Delivered Programs, HRDC):

Thanks Andrew. I'm going to build a little bit from what David just said. I'm not an expert in this area at all, although I'm responsible for figuring some of this out and making some of this happen, and I wanted to raise really more of a question because I think what we really have to focus on is what's, like we did with the sector discussion, what's the role of government here, what's in the public interest, where do markets fail and when do governments have to intervene? And there's lot of stuff in here that the private sector is doing, and the customers and the private

interests are filling all kinds of gaps. There's a market out there for lots of this kind of information. But doesn't the market do as well? It seems to me that David was identifying where there may be a public interest in terms of governments and it's not on the quick job matching because people can do that pretty easily and maybe there's some facilitation. But it really is on the bigger issues at a national level, in terms of credential recognition, in terms of really the skills requirements of the future and how people can plan and identify it. Jobs are coming and going. Occupations are splitting and dividing and disappearing more quickly than we can anticipate, but the component parts, the composites of those, the skills required to do these jobs, I think we can identify and we need to identify, and that's the basis upon which we need to build more of a common language. So I'm not particularly articulate on this but I think that we need to figure out what the niche is for public policy here and I think in the past – maybe this is Elaine's point and Lenore's point – governments felt that if we built it people would come and to a certain extent they did, and more information was better, and maybe it is. But I think that now we have to figure out what information governments should be in the business of. If there are finite resources it may be that we need to stop doing some things because that are not really where our value added is and we need to do more, invest more in some other areas and I think we need to identify those.

Moderator: Thank you. George?

George Nakitsas (Executive Director, Canadian Steel Trade and Employment Congress):

Just to piggyback on the last couple of points. One comment and one suggestion from the vantage of a user. We've been using labour market information for 15 years in our organization and congratulations to everybody that is active, public, private, federal, provincial. I think there has been a huge change in the last 20 years that reflects the fact that we used to live in a very static economy and have moved to an economy where everybody says I don't have the skills or I've got the skills and I can survive the rest of my life. Now it's I've got the skills and what do I have to pick up tomorrow to continue to have them? So I think speakers touched two important points there in terms of changes that have been made and need to continue. One is what we gather, and I know in our industry, in steel, the occupations you used to have last week don't exist today. I don't think you have to get rid of them, but getting a broader base of the type of information you're keeping is very important. Moving to the local level has been very essential in terms of the National Job Bank, and Electronic Labour Exchange, we use them very effectively and more and more we get local information.

But now we have to move and we have moved I think to a much more dynamic and integrated system where it's the developers, the users and the providers, to take Lenore's point, who can actually give you the skills and knowledge you need and I think the more and more we develop those partnerships, whether it be with the counselor association, the school system, organizations like sector councils, community based organizations that are developed in those types of strategic joint ventures you get four benefits. You find out what's relevant and what's not, and [inaudible] point is something not relevant? That's depending on keeping it updated because if the users aren't going to use it, developers shouldn't be developing it but you also get a sense on an ongoing way of what are going to be outside the specific needs today the sort of trends toward the future. So I think congratulations are in order that we have recognized that and I would hope that we continue moving in that direction rather than trying to create a perfect world or as someone once said to me, getting the answers to our own questions and finding out that our own

questions are almost irrelevant because we have common questions, now we need to find common answers.

Moderator: Thanks. David, did you have a comment and then Noah?

David Slater:

I offer a couple of comments. I think that it's very important to think about what I might call fundamental skills as distinct from learned and applied skills. I think that if I was still a university professor I don't think I'd care very much about what subjects people took except that I'd hope they had some good mathematics, some good language, some good conceptual skills, some good communication skills and so on. These are fundamental. I remember when I was a graduate dean advising people in theoretical physics. There was a surplus of theoretical physicists and not many jobs. Well those people turned out to be the heart of the information technology revolution. They had those kinds of skills.

I think that one of the things that is very, very critical is if governments start getting too uppity about humanities and fundamentals and want more and more applied stuff of the universities. I think that may be the wrong way to go. I think one of the other things that's interesting is to distinguish between, as they call it, these fundamental skills and particular applied skills like being a medical doctor or a nurse or something else which you can't pick up, no matter how bright you are, with a six-month, part-time training exercise. But there are an awful lot of things. If you've got mathematical skills, language skills, writing skills, conceptualizing skills and so on, you can do an enormous range of things with very little add-on training and I think we can push too far in the occupational direction as distinct from the skill development that David spoke of.

Moderator: Thank you very much. Noah?

Noah Meltz:

When I first started out in the area of looking at occupations, which was exactly 40 years ago in terms of a particular project, it was to look at how occupations within firms had changed. There was then the wage rate survey, you got a total list of the occupations that firms had and the wage rates, how many people and so within the Department of Labour. What we did was we selected a few firms and did an occupational profile of the firms. I hate to say how far back, it was 1948 that we started as a base and then to 1961 what they actually had, we compared them and looked at how their output had changed and how technology had changed and wage structure and I remember one firm they looked at, in 1948 they had a chauffeur but not in 1961. But in 1961 there was a special assistant to the president, which there wasn't in 1948. Guess what the special assistant to the president did? He was the chauffeur. Which gets to David's point about how occupation titles change but sometimes there's a change of work and sometimes there isn't.

In the Expert Panel we spent a lot of time talking about the question of skill and I think that's certainly reflected in the report but as part of the input. Derwin Sangster and I spent a day looking at occupations and skill, the measuring of occupations and skills and the morning session was on occupations. A lot of discussion focussed on that, then the afternoon session – Derwin can correct me – was very quiet. Everyone said yes, a good idea to look at skills, but it was very quiet in terms of how we'd actually go about measuring these. So as was mentioned by a number of speakers, this is a very tough area. It's a very important area but I think we really

need two things. We have to look at skills and how we measure what we need and more work has to be done and that's what the panel tried to do.

However, I also think we need something on the occupation definition, occupation, type of work, and the technology I still believe will force some, at least to move in the direction of commonality. You have to be able to communicate. Computers demand, if you're looking at things, you're looking up, you have to define what you're looking at. So I think we really need both sides of this in terms of the job area.

Elizabeth Beale mentioned the Centre for Labour Market Statistics. In our recommendations we felt, and hopefully this will be supported, that not only should the centre be established as a sort of a federal, provincial, territorial initiative because of the importance, as was stressed here, of local labour market information, but the need to look at how we're going to measure these things and how we're going to try to disseminate that information. There is also a role for the Forum of Labour Market Ministers, as a support for this and as a vehicle for creating an interest, awareness and also how this information might be used. I think these are all very important.

The last point gets to the analytical side and something that perhaps could be elaborated on in terms of what the Expert Panel did because there was one area we also talked about and that was entrepreneurship. And so far I think we've been talking about the job market in terms of there are jobs available, how do we get the people to them, what sort of jobs will be available in the future? But there's another dimension that gets to the entrepreneurship area and that is, where are there gaps that drawing from – gaps in terms of areas where people can be – entrepreneurs can initiate, can fill gaps, can open new areas. I mean if you take the warehouse example what we want to add to it, how do we talk about creating new warehouses, new stores, new opportunities to market and then that's where we want to move beyond. Labour markets are dynamic but we also want to fill in areas where people can help to create jobs within the country and to use the knowledge that may come from analysis, where are there areas where people can really initiate. We in Canada could do something in this area. We can also market CSTEAC and the other sectoral skills abroad but we can use the information from analysis to be able to create new jobs, to be able to expand the market and not just help people within the market get jobs and I think this is where HRDC has a fundamental role on the analytical side to play, to use the information, to help to disseminate where gaps are, where people looking for future careers can help to create something and not just say well there's going to be a job in the area. How do you help to create jobs in future areas?

Just one last example of this. I'm also in Israel now and a very successful model has been what's called incubators, giving scientists who have ideas some funding to help create and market things where they have an idea and they want to bring it on stream. And this is a way I think in terms of entrepreneurship we want to look at areas where in Canada there's the potential either to market within Canada or to market outside, where we can draw on information we can get from analysis.

Moderator: Thank you very much Noah. Bert Pereboom.

Bert Pereboom (Research Coordinator, Expert Panel on Skills and Peartree Consulting):

I want to talk a little bit about this issue of timeliness of data. I work with a number of sector councils and they're interested in labour market information and one of the things they're

interested in is say the demographics of their labour force. Right now about the best we can do is look at census data from 1996, which draws sort of sighs of exasperation typically. Five years ago is eons and our labour force is no longer relevant. We could debate about whether labour forces change very much in five years but it seems to me that we need to provide data on a more timely basis and I think one of the more promising areas, even though there are some public perception problems, is using administrative data more effectively for labour market information.

There are huge amounts of information clearly available within federal government records of various types that could be used to provide better labour market information and I know we'll get the press stories about big brother watching people and so on but for one example let's say age structure of a particular industry workforce. I know CPP has at least on me my SIN number, they know my age, they know my gender. Now, they probably also know, from various tax records and so on, which industry I'm working in and so on. You could pull that information together and provide quite a timely piece of information rather than going to the time and expense of doing a survey of a particular industry. You could collect this administrative data in a fairly cost effective way. It's already input, it's already electronic, it can be analyzed. So it seems to me that timely, cost-effective sources of information probably already exist. You don't necessarily want to duplicate all that data collection. You can use admin records in a lot of cases to gather this and provide it more effectively.

Moderator: Thanks Bert. Paul, you had a point.

Paul Swinwood (Executive Director, Software Human Resources Council):

I just want to make sure that Noah and Margaret and Margaret Biggs realise that thanks to the partnership with HRDC and some of the other things going on across the country, the software council and the sector have created 21 new national occupation codes that will be released soon and in partnership with a small organization called Statistics Canada we've already done a validation of this occupational skills model that the council has created and Statistics Canada has gone out and done a pilot with employee and employer surveys that does get to some of the detail that you're looking at. So we have what we call the occupational skills profile model which is 24 streams for the high tech sector, but we can't do longitudinal connection to the 1954 census – well, longitudinal, horizontal, whatever the connections are – because we didn't exist at that time. So we're very interested in a survey process that happens quarterly. It has to happen quarterly because in my sector that's the rate at which things change. And so we're looking at a process that takes this, makes it a national survey that we can do nationally and report locally in partnership with the local communities, the local high tech associations and everything else.

When we did this survey we had 97 per cent response rate from the companies that we talked to about talking to their employees. So it was rather stunning, it's caused several challenges in the collection of data so we're hoping to have something on this in the next hours, weeks, days. And that's probably as far as I can go right now with it. But thanks to the partnership that has been demonstrated between the sector, the sector council, hundreds of private sector companies, HRDC and Stats Canada, you can get relevant data. We're still trying on the timely. It will be accessible when we can get our hands on it through technology and so it is possible to do. We have a pilot that's in place that's proving that. So we have some good news coming down that partnerships do work.

Moderator: Well thanks Paul for that note. Are there any other comments from people that haven't spoken yet or people that would like to speak again? Yes, Derwin?

Derwin Sangster (Director, Business, Canadian Labour and Business Centre):

Further to the point that Bert made, and a question for HRDC and indeed any other organization that operates a sectoral equivalent of the Electronic Labour Exchange. It seems to me, and I think the panel discussed it during its discussions, that every time the ELE is used there is a transaction, indeed a labour market transaction that is brought about where a certain set of skills on the part of an individual are matched roughly against a certain set of requirements from a job and the issue I guess there is whether there is any technical capacity to, if you will, monitor the functioning of the labour market through capturing information that may be generated almost electronically through these transactions, occupations, call them occupations, call them jobs, call them skill sets. Has that been looked at from the point of view of using ELE 'administrative data' or transaction data to learn more about what's happening out there?

Moderator: Does anyone want to respond to that? Go ahead.

Ron Stewart:

Derwin, primarily it's been sort of a volume type thing versus a specific type of exchange that's taking place. One of the things that we are doing is we're integrating the Job Bank and the ELE, which will help. We do know that we need better management information out of the system. We're not collecting the SINS of the users so we've got no way of tracking the actual job that's found. We wouldn't want to have the SINS floating over the Internet anyway. As well as the integration of that there's also the whole worker, trainer, jobs, GOL cluster that's taking place as well and in regards to that we're [inaudible] ELE with the public service commission's recruitment activities as the first step along that way so this thing is going to grow and your point's well taken, we're going to have to get much better management information out of this thing.

Moderator: André.

André Piché (Senior Policy Analyst, Canadian Federation of Independent Business):

A brief comment on a point made by Bert earlier. This morning we talked about private good and public good and when I think of Statistics Canada, the information that comes out of Statistics Canada is the public good. I think it's unfortunate in a way that we don't have free access online to a lot of the information from Statistics Canada. I'm reminded of a speech that was given a couple of years ago about students who do projects in school where they do their research using the US Bureau of Statistics so they do a project that's related to the American system because they don't have access, free access in Canada, to the information. And I think it is a shame that that's the case. I think it's something we should be looking at in the context of what we're talking about today.

Moderator: I would certainly second that point as a researcher. I've certainly encountered problems in getting information. Unfortunately our Statistics Canada representative is not here yet but I'll relay that message to him.

Alice Nakamura (Winspear Professor, Faculty of Business, University of Alberta):

I'd like to strongly support that point. I've been teaching in the Canadian universities since 1972. When I first came here, if you went into the bookstore at the University of Alberta or any other major university's bookstore in this country, you found a whole section of Statistics Canada materials. When I had a class with an empirical project, like any other instructor, I urged my students to go over there and there were all sorts of materials on the forestry sector, on mining, on wheat, on all sorts of things over there on the shelves that they picked up and brought back and used in their reports. In 1990 we had a move to have cost recovery and I believe largely by mistake Statistics Canada ended up being part of the cost recovery package that was put forward then and was passed. Having had that passed, I've watched Statistics Canada struggling with this. I'm on several of their advisory committees and have been for a long period of time. I've watched the chief statistician and the assistant chief statistician struggle with their role on the one side as public servants who are supposed to uphold the law and the policies of the nation and on the other hand with the ridiculousness of a situation where this information is collected at public expense, individuals and firms spend their time to provide this information, and then they turn around and they have to sell it for cost recovery. If you look in our bookstores now in the universities you will find no Statistics Canada section whatsoever. That lasted about a year and a half at most places after they started to cost recover. No faculty member is urging their students to go and get their data anymore because when you send them over the library to get it, what happens is a lot of them go in and cut a page out or rip the page out or write on the page and then volumes which we all need for long periods of time are defaced. So I just can't think of a more important thing that you could do to make labour market information available to the nation than to follow the United States and if that's going to happen, the impetus has to come from other departments like HRDC. HRDC is the strongest, most powerful department in the federal government.

Moderator: Thanks very much Alice. Are there any other comments? Yes, Carla.

Carla Lipsig-Mummé (Professor and Director, Centre for Research on Work and Society, York University):

Following on Alice's comment, I suppose we are belabouring an outrage or whatever but what's happening now is a privatization of the costs of data for our students. We are taking from our research grants and paying for them to get the data they need to get from Statistics Canada and that's surely a perversion of how it should be.

Moderator: Are there any other comments? I'd like to ask the lead speakers if they would like to respond to any comments that were made. I think Noah has left but any of the other three lead speakers? Margaret, do you have any comments?

Margaret Roberts:

Just a couple, and I think I already covered them, but just to make sure it's clear. I think I'm like Noah, I think that both occupation and some kind of grouping of work is important. Not necessarily the word occupation because I think it's more or less successful depending on the area. If you're talking about doctors it's a fairly successful concept. If we're talking in the IT industry maybe it's not so successful but I think there is a need for some kind of structure and I think there's also a need for skills. The other point I wanted to make is that I do think for sure

that this infrastructure development is a role for government. I think Margaret asked what the role of government can be in this and certainly I think infrastructure development and maintenance is a role for government.

Moderator: Elaine, do you have any comments? No, okay. We're going to break now for our lunch and then also an address by Lars Osberg. Our lunch is a buffet style. It will be available out there and then you'll have to come in here and eat at your spot. Unfortunately there were no other rooms in the Chateau Laurier to have a separate room for lunch. So we'll break for lunch and we'll probably reconvene around 1:10 to start Lars' address. Thank you very much.

Lunch Speaker

Lars Osberg, Dalhousie University and President of the Canadian Economics Association, 1999-2000: "A Framework for a More Efficient Labour Market in Canada"

Moderator: Before I introduce Lars Osberg I'd like to point out that the deputy, Claire Morris, is in attendance now, sitting next to me. We're very, very happy that she's had the time to attend this event and I'd really like to welcome her here. Our luncheon speaker today is Lars Osberg. He's the McCulloch Professor of Economics at Dalhousie University and he's a member of the Board of Directors of the Centre for the Study of Living Standards. But that's not why he's here today. He's here today because he's one of Canada's leading labour economists or just economists in general. Past-President of the Canadian Economics Association, his term just ended last year where he gave the presidential address on comparing poverty rates in Canada and the United States. He's worked in the labour market area for more than 20 years and is well known both in Canada and abroad for his many scholarly articles and books. So without further ado I'd like to turn it over to Lars, who's going to talk to us about a framework, or the framework of an efficient labour market. Lars?

Lars Osberg: Thanks very much Andrew.

The title of my talk today is: "The Framework of an Efficient Labour Market". My objective is to try to be "obvious". So I'm going first of all to beat up a straw man (or straw person, whatever). Next I want to draw some unsurprising morals from that adventure and to discuss a few general issues. I will end by illustrating the discussion with two specific initiatives that are currently hot, one that I'll come out for and one that I'll come out against.

The straw person that I'd like to beat up on can be framed as saying "it is basically enough for labour market efficiency for government to supply training and to assist in labour market mobility."

I think there is a hypothesis out there, at least this straw person hypothesis, that if we want to maximize our GDP in a country like Canada, the name of the game is to put the square pegs in the square holes and put the round pegs in the round holes and then move them around when you have to. If so, then all government really has to do is forecast supply and demand, to enable it to provide a little better information to enable better labour market matching and to provide a little training and retraining. In this model, all government has to do is to forecast the demand for round pegs and turn the squares into the well rounded, as and when required.

I'm going to claim that it isn't quite as easy as that and there are a number of clear reasons in the way the labour market actually functions. And if we could have the handouts at this time perhaps maybe you can follow along with the slides.

First off, I think one of the things that characterizes the labour market is an incredible degree of heterogeneity. The labour market has markets for mortician services, for midwife services, for every stage of life in between and every conceivable thing that you'd want to do in your life. And all those areas of life are changing and they're changing pretty dramatically – which creates the problem of the instantly obsolete forecast.

The second reason is that if we're talking about an efficient labour market and labour market outcomes, it's really the macroeconomic context that's going to dominate the average outcome over the next four or five years. Hence, when we make a forecast about specific occupations, such forecasts are necessarily conditional on a macro economic context.

The third issue is that if you're talking about change, it actually mostly happens within firms. Actually, the best predictor of where somebody is and what they're going to be doing today is what they did and where they were yesterday. It's only a minority of people who change their jobs in any given year. Hence it's the reactions of infra marginal workers – the people that don't change their position in any given week or any given month or any given year – that are actually crucial to how technological change and market change is adapted to in a real life context. Certainly movements between firms are very important but let's not forget what's happening within firms because that's where most people stay. Hence, the efficiency of internal labour markets is absolutely crucial.

And finally, it's just clear in a lot of data that people care about a lot more than money income, and that the labour market affects a lot of areas of life. A huge number of issues from job satisfaction to the timing of work to the availability of work are really important to people's life satisfactions in a way that isn't actually captured in a dollar income number. Hence, because the desired outputs of the labour market are more than just GDP, one should not judge "efficiency" only in terms of increasing GDP per capita.

For these and other important reasons it's just not quite enough to maximize GDP by trying to put square pegs in square holes and round pegs in round holes.

Looking at the first point, I think modern labour markets are characterized by incredible variety and constant change. I'm not actually very fond of the terminology that says that there's a "high tech sector". Because I think basically high tech is everywhere. High tech is pervasively affecting the structure of work and the type of things that people are doing and the products that they're producing in just every sector of society. So jobs in all sectors are not only just incredibly varied but also constantly changing. So if we want to think about this matching issue, it's not like putting square pegs in square holes, it's more like putting temporarily square pegs into holes that are continually morphing in shape.

Constant change is the norm of the Canadian labour market and it comes both from the job side and from the people side.

It's just characteristic of all of us that we're constantly changing in our capabilities and our skills. And we're doing so endogenously, in response to what's happening in the labour market. Two key truisms for the labour market are 'Use it or lose it' and 'Learn while doing.' So skills that are not used atrophy, while people develop the attributes their job requires. My favourite example here is calculus skills, which I imagine a number of you had at one point in your life. But if we were to have a surprise quiz, we would find that those who have not used calculus in their jobs recently are now pretty clueless. Basically, if you use a skill from day to day, you learn it and you develop it, and if you don't use it, you lose it. And you learn more while you're doing things. Hence, the changing characteristics of individuals are endogenous to the structure of the labour market and to developments in the labour market.

I think what that implies is that it's not really possible to have a lasting allocation of labour, or a lasting forecast. We never actually get to solve the labour market allocation or forecasting problem once and for all. What we have is contingent solutions which we have to continually revise over time. Hence, I'm kind of skeptical about grand plans and about the possibility mentioned this morning of a single labour market information system. That sort of filing scheme for the warehouse of characteristics in the labour market is unlikely to be feasible. I think the labour market is too varied and changing too fast for us to get this lasting central handle on the situation.

So I think really the fundamental issue is to design institutions that enable a continual and optimal readjustment. Since we never actually finish solving this labour market skills problem, and just get to redo it every period, what we want to design is a set of institutions that best enable us to cope with change. Furthermore, we want to cope in a way that doesn't just maximize a dollar GDP but in some sense maximizes human satisfactions.

When it comes to a concern with skills, Canada has actually been here before, several times. As an example, let me cite a past grand design for the labour market. The formal title is "Labour Market Developments in the 1980s: A Report of the Task Force on Labour Market Development" but around Ottawa it was known as the Dodge Report and it came out 20 years ago. In 1981, like today, there was a lot of concern about future labour market shortages, and there were great big forecasts of huge skill shortages in the future. There was also a lot of concern then – as now – with the skills that were being developed and the adequacy of current training and educational institutions.

The Dodge Report made a great many good points and in fact it was a landmark report in a lot of respects. However, a central premise in the Dodge Report was the idea that the run-up in oil prices that we'd seen in the 1970s had ushered in an era of high oil prices and high energy prices in general. If that was going to be the case, and if Canada was going to face high energy prices off into the indefinite future, many oil, gas, coal and hydroelectricity projects would become viable. Of course, it wasn't just the federal government that was making this forecast, it was a general forecast in the private sector as well. A lot of energy mega projects across this country were forecast to pay off, in a major way. There were some very well developed plans for additional coalmines in Cape Breton as well as hydro developments in Labrador and tar sands and frontier natural gas. Most of these were, in essence, huge construction projects in under populated areas of the country.

The labour market demand forecast that came from that macro economic scenario was that we would see a demand shift in Canada that was structural and long term. The occupational demand for labour in Canada would shift towards the skilled construction trades and to jobs in mining and manufacturing and the resource sector. Given the location of these mega projects and the small population base of these areas, the forecast was for a labour shortage in the outlying regions of the country (such as Cape Breton) of construction workers and miners.

Furthermore, a perceived problem emphasized by the Dodge Report was that Canada just had too many university graduates. The report argued that there had been an over investment in highly qualified person power in Canada, particularly university graduates, who would be in excess supply as the structure of the economy shifted away from the service sector.

Well this forecast came in 1981 and as we all know what actually happened was that around 1985 we had a collapse in energy prices. Until last year, energy prices were extremely low in real terms. Energy mega projects were shelved and the demand for construction labour in places like Cape Breton basically disappeared.

What is the moral of this story ?

When I talk about these things in Halifax I always have a few students from Cape Breton in the audience and I think that they take the moral that it's better to give labour market advice than to receive it.

More generally the basic moral that I take is that the macroeconomic context is absolutely crucial to any labour market projection. We would like to know what specific skills are actually needed, but central forecasting has a poor record of prediction, partly because of the changing macro context of labour market change and partly because of the fluidity and rapidity of change on both the demand and supply sides of the market.

However, although forecasting models have problems, so does reliance on market signals. The problem with the market mechanism is that it signals *scarcity*. When workers are not scarce, the labour market is not very informative. In general, the labour market sends few signals when unemployment is high and skills are generally in surplus. Normally, in a market system, it is vacancies and wages that provide signals to guide individuals' choices of career. It is lost sales that signal firms that more training of their labour force is needed. And when firms cannot get the workers they need, it is the political pressure they exert that signals government and schools to redesign their curricula. But when there are few vacancies anywhere, there is little to guide individuals' choices. When firms have a queue of qualified workers available, they have no incentive to provide more training or to pressure training institutions to do a better job.

In my view, the single most important question for the operation of the labour market as a whole at any point in time is 'Are Jobs Scarce or are Workers Scarce?'

The general availability, or scarcity, of jobs conditions all other labour market processes. And for Canada, the Expert Panel on Skills (2000) was very clear in its findings. They concluded there was "no evidence of a generalized shortage of technical skills in Canada." There is evidence of scarcity in "specific sub-sectors of industry," which should be a normal condition in an efficient labour market because in fact those shortages are signals for people to change their behaviour and for training institutions or for firms to change their training behaviour in future periods. And of course the Expert Panel did note a general shortage of what I'd call all-rounders, people who have both good technical skills and good soft skills, who are able to both manage both in the technical sense and in the human relations sense.

The Expert Panel did not emphasize a shortage of skills. Rather it talked about a shortage of opportunities in Canada and the emigration that has produced. And I have to agree totally. If you look at indicators that have been tracked over some time, such as the Help Wanted Index, and also at the occasional statistically representative surveys of vacancies that we've seen in Canada, the clear finding is that the current number of real vacancies is pretty small as a fraction of the labour force.

Now of course it's kind of easy to get firms to express dissatisfaction with the skill level of workers just as, and in about the same proportion, it's easy to get professors to express dissatisfaction about their students. But if you actually go ask a statistically representative sample of firms directly just how many vacancies do you have at this point in time – real jobs that are open right now – the answer is well under 1 per cent of the labour force.

The basic lesson I take is that labour surplus creates inefficiencies.

The balance of supply and demand at any time in any particular labour market affects essentially all labour market institutions. If there is a queue of the already qualified, there are substantial tendencies in the labour market to see an atrophy of firm level training. There is a disincentive to firms to take the trouble to change, for example by making the effort to enhance job quality, or instituting things like family friendly work practices. I mean why bother changing work practices if there's a queue of replacements out there for any malcontents the firm now employs? And why spend the effort to demand curricula reform from trainers when the firm already has a queue of people that can satisfy job needs right at this point in time?

So from the point of view of the demand side of the labour market, a surplus of labour creates a substantial degradation of the feedback mechanisms that we need to run an efficient labour market. And from the point of view of individuals, people who are anxious about the future have a big incentive to avoid specializing excessively and exposing themselves to the risk of future unemployment in thin labour markets.

But when we think about change in the labour market, we have to focus not just on the impact of labour surplus on the external labour market but also on what's happening in the internal labour market. Labour market change happens both internally and externally to organizations. One can define the 'internal labour market' as being those decisions on wages, allocation of labour, training, vacancies, promotion and work practices that are made within firms. We can think about the 'external labour market' as those hiring, wages and mobility decisions that are made as people move between organizations.

Partly because external market changes are easiest to observe, they have been the most studied and economists talk about the external labour market all the time. But actually most decisions that are made at any point in time are made within firms. The reason is fairly clear, because most workers now, as in the past, are in and will remain in, long term jobs. The predominant pattern, now as in previous decades, is for people to have a period of initial mobility in the labour market followed by relatively infrequent job changes. Statistics about averages, such as the average duration of a job, can therefore be quite misleading because it's a highly skewed distribution.

Long terms jobs imply substantial sunk costs by both firms and workers in the nature of that job match. Although both internal and external change are important and both matter a lot to the labour market, it's change within firms that dominates aggregate productivity statistics. For this reason, it's the motivation of the infra marginal worker – the man or the woman that's not just right at the margin but who has some protection from seniority – that dominates the average level of productivity change within an organization. And one can note that the Expert Panel did emphasize the shortage in Canada of management skills and the ability of management to develop that sort of motivation on the part of the infra marginal worker.

The fourth point is that well-being is not equal to dollar GDP. There's a large literature in fact on what makes people happy – or at least on what makes people say they are happy. There are a lot of surveys where people are asked are you happy, are you miserable, are you very happy or not happy? And the results of these surveys are consistent with other questions that ask people to express their opinions about their jobs, and their life satisfactions. The whole literature on subjective well-being has been evaluated in a lot of different ways.

A common finding in this literature is that money income plays a role in personal satisfaction or self-reported happiness, but it's not a major variable. The things that really matter are being in a satisfying, long term personal relationship or not being unemployed or having adequate leisure time or having some degree of job security, or having an interesting job. Those are things that really drive self-reported satisfaction. If you actually ask people, it's quite clear from the empirical evidence that in their own lives people care about a lot more than simply dollar income.

Now a common aspect of all of those characteristics that drive personal satisfaction and life satisfaction is that they're heavily influenced by the labour market. Sometimes the labour market works directly, as in whether or not a person works long hours or has an interesting job. Sometimes the impact is more indirect, such as a higher probability of divorce for couples who experience the stress of unemployment. But since paid work occupies so much of the time of adults, and is so significant to their social standing and relationships, the labour market casts a long shadow.

I would argue that the implication is that if we're going to talk about an efficient labour market, we'd better not just talk about a labour market that's efficient in the narrow sense of maximizing money income. Because if we think about what it is that actually creates more satisfied human persons, it's partly about money, certainly, but that's only a small part of it. All these other characteristics which really do matter to individuals in their personal lives are heavily influenced, I would argue, by the availability of choice in the labour market. There is an enormous variety of emphasis and differences among people in how important each of these different dimensions of jobs actually are to them as individuals. No one is actually 'average,' hence, it's just not the case that one size will fit all. But one thing that is clear is that if there are a number of available jobs, individuals get to choose which dimension of job satisfaction is more important in their own lives.

To sum up, if we want to specify the necessary conditions for labour market efficiency, I think one imperative for government is the idea of decentralization of decision-making. We've got a complex diversity of local changes, so we're going to have to deal with some sort of decentralization.

A second necessary condition for efficiency is that if we're going to talk about an efficient labour market we'd better have something happening on the demand side. Since the demand for labour is a derived demand from the demand for commodities, strong aggregate macro economic demand is absolutely crucial to labour market outcomes. In a small open economy with a flexible exchange rate, monetary policy is just absolutely key to whether you're going to have strong aggregate demand or not. So a monetary policy that recognizes the importance of full employment is just an absolutely necessary condition for an efficient labour market.

I also think it's important to have an understanding of the full incentive structure that faces both workers and firms, and in particular the role that social security sometimes plays as a risk sharing device in what's inherently an uncertain and unknowable and risky future.

So let's consider the issue of risk and reward. One of the issues that I think is important in the Canadian labour market is that as an economy we need a diversified portfolio of specialized skills and we need a high level of skills. But individuals have the problem that they cannot both diversify their personal portfolio of labour market skills and attain a high level of proficiency in each. There are not enough hours in the day for me to get to be both a brain surgeon and a world-class magician and an economics professor all at the same time. I can be 'Jack of all trades, master of none' or I can take the risk of putting all my eggs in one basket and specialize in my occupational choice.

Although the economy as a whole needs a huge variety of specialized skills, individuals face the problem of undiversifiable risk, that is, each person has to specialize in a particular occupation and bear the risk that in an unknowable future that occupation may be in surplus in the future. If so, individuals can actually reduce risk by choosing general training.

In recent years we have observed a trend in Canada to make individuals bear more and more of the cost of their human capital investment and to acquire a higher debt load for any given investment in aggregate human capital, either generalized or specialized. As a consequence, I think we're in a situation where we run the risk that risk averse individuals will under-specialize in training. Although the country needs a diversified portfolio of specialized and highly trained workers, individuals face increasing incentives to become generalists and as we shift more and more of the burden of human capital financing towards the individual, the training opportunities that are chosen become less diversified and less specialized.

A second issue that we face for the future is who's going to pay the bill for the base funding for higher education?

I think a lot of people in Canada kind of forget just how dramatically and how quickly the Canadian post-secondary system expanded in the period after 1960. If you go back to the 1950s there were essentially two institutions in English Canada that did Ph.D. studies: McGill and the University of Toronto. Since the 1960s we've built this incredible world-class system across the country. However, the building period only ran up to about 1975 to '80 and then stopped. Perhaps because there was a perception of an over-supply of university graduates in about 1981 (as articulated in the Dodge Report), we've seen a period of very substantial decline in funding over the last twenty years. As well, federal/provincial turf wars and deficit fighting have been filtering down to the trenches in very substantial budget cuts. In terms of what will happen to post-secondary education, the basic fact of the matter is that both physical and human capital in the post-secondary education system is wearing out. And so the question we want to worry about is who's going to pay for renewing it.

The base funding issue is kind of unglamorous and it's an old hat kind of thing. There's now money around for the sexy marginal expenditure, for the ribbon-cutting ceremony and the new initiative. However, providing an adequate level of base funding for the general skills that will be used from a large variety of contexts over the entire course of a person's life, is seen as kind of unglamorous and 'old.' So, when it comes to the Canadian post-secondary education system as a whole, I kind of wonder whether we are going to see a rise and fall in two generations.

And a third issue of course I'd like to focus on is the issue of building institutions to manage continuous social change.

One of the institutions that will influence labour market change of course is the Internet and the whole telecommunications revolution. I think this is going to have fantastic implications for labour market information. We're only just sort of scratching the surface, as this technology develops and becomes more generally appreciated and more generally available to a whole new generation of really Internet savvy kids. Kids who get on Napster and all its replacements are developing an incredible degree of expertise in Internet use and the medium itself is developing incredibly fast.

However, that's already happening in some sense. I think what's more difficult to arrange are the social institutions. Let's take as an example the sector council initiative, which I think is kind of a good idea basically. I think it's a useful innovation and it's something that's actually more difficult than the Internet to get going in the longer term. It is useful because it provides a mechanism for "voice", which pools the interests of different firms who have both competitive interests in the marketplace and common interests in affecting the curriculum of educational institutions and of training institutions. It's also important because it has this social dimension of providing some sort of forum for labour management consultation. Informal contact between firms and unions can help them to speak from at least somewhat the same framework of reference in discussing future change. And those benefits are over and above the role of sectoral councils as an agency for direct service delivery and accreditation.

And so I think that the sectoral councils are a very useful innovation because they're a mid-level type institution. They're not the central forecasting model where one agency tries to comprehend the whole of the labour market. Rather they're mid-level between the central planning kind of model and the complete decentralization to the individual model. A mid-level institution can acquire a really specialized bunch of expertise about its own little corner of the economy. Each council tries, in an effectively competitive way, to maximize the interests of their particular corner of the economy and to develop the information base about the labour market realities of that particular corner of the economy. So society as a whole ends up with a diversified portfolio of real expertise. Hence, I think the central councils are a very useful innovation.

However, just to retain my popularity at HRDC, I should be sure to mention that there are some things I think you shouldn't do. I think you should avoid gimmicks in the labour market and among those I would classify the Registered Individual Learning Account idea (ILA).

And why would I put it like that? Well I know it's trendy to devolve to individuals entirely the risks and rewards of decision-making on training, and of course individuals do have the ultimate responsibility for what happens in their own lives.

It's also kind of trendy to try to do all social policy through the tax system. And in some sense, putting something like Individual Learning Accounts into the tax system is a policy reaction to the central forecasting model. Instead of Ottawa having a view about where occupational demand and supply is going to go in the future, Ottawa has no view. It just sets up a tax incentive and people choose whatever they want.

The question is whether that will produce better choices. I suppose the implicit economic theory that underlies it is the idea that we rely on the market mechanism for lots of things, so why not training? Implicitly the idea is that training is a bit like breakfast cereal, and that we devolve to individuals the purchase of their own breakfast cereal so we're going to devolve to individuals the purchase of their own training.

But if you think about that example, actually in the breakfast cereal case we have clear product labelling. Each box of cereal is labelled as to its nutritional content and we have a science about what that nutrition implies for individuals later on in their lives. There's some actual, pretty uncontroversial, pretty unambiguous information about what a decision taken today means for tomorrow. And you also have a lot of regulation as to the conditions of production of breakfast cereals so we know that they're produced under certain types of situations, for example, clean factories. So we regulate stringently the food production industry and we force labelling on breakfast cereals.

But a comparable level of information is just not available in the training market. Actually, given the problems of forecasting already discussed, it's hard to see how it could be provided.

And it actually is the case that 19-year-olds are kind of poorly informed. In fact, 49 year olds who are laid off are also often poorly informed, since they usually spent their working years learning how to do their old jobs, and not prospecting in the labour market for new jobs. And we actually do not want everyone to spend a lot of their time always looking for new jobs; we actually want to keep their attention focussed on doing their current jobs better.

More generally, it's inherent in the issue of education and training that there is an asymmetry of information out there. That's what gives professors jobs, the fact that there is actually an asymmetry of information between student and professor.

And the thing that I'd like to focus on particularly is that this problem of asymmetry of information is particularly severe for disadvantaged groups. There is a real problem when you get into the training area of vulnerability and of what I'll call dream merchants. The disadvantaged are at particular risk of exploitation. Already we do see out in the labour market some problems in devolution of training decisions strictly to individuals. Although it is neither desirable nor politically possible to exclude for-profit trainers from the ILA, there's also currently a segment of the for-profit training industry which has decided that all that really matters is the ability to market your services to successive generations of gullible incoming students. Whatever happens to the students after you've relieved them of their money, well that might feed back to the future crop of students but the information flow is very imperfect out there and some groups in the population are quite susceptible to promises of indefinitely bright futures. We already have a problem in Canada of recovering the student loans made to the people who've attended for-profit training institutions. We would just be pumping more money into this aspect of the training market if we go for something like registered individual learning accounts, which I guess we are.

So if we come back to sort of the bottom line, what do we need for efficiency? It's clear that we need a strong, aggregate macro economic demand. We've got to have something happening on the demand side if the market is to generate signals that are going to guide people to reasonable choices and if they're to have those choices in the first place. We have to work harder at

developing our institutions that will both identify needs and articulate solutions at the industrial level. So I'm kind of a fan of this sectoral council initiative.

And we need a policy design that matches incentives to social needs. Policy design needs to reflect the full range of incentives across each individual situation, and particularly the incentives that affect not just individuals but also which affect firms. Policy design also needs to recognize that there's a lot of, politely put, asymmetry in information as to what is really going on. And finally we are going to actually need some bucks in the end because we're going to have to pay at some point for the base of general skills which people are going to use in a variety of contexts throughout their working lives.

PARTICIPANTS' DISCUSSION: LUNCH SPEAKER

Moderator: Thanks Lars. We actually have a few minutes left if there are any questions, although maybe everyone agrees with everything you said. But that probably is unlikely. We have about 10 minutes. Would anyone like to put forward a question on any aspect of Lars' address? Yes, Alice.

Alice Nakamura (Winspear Professor, Faculty of Business, University of Alberta):

Well I agree with what Lars said about dream merchants. I do agree that 19-year-olds on the whole don't have a lot of accurate information about the outcomes of the training of programs that they're considering investing not just their dollars in but also their time, their young lives. I don't think, though, that the dream merchants are limited to the private sector providers of education. I think our own campuses, our publicly-funded campuses are full of dream merchants, in many cases people don't mean to be misleading, they simply don't know. And I think the thing that could be done which would be most helpful for that would be to make it so that any person who takes publicly-funded education signs a waiver at the start of that saying that their information can be used and they would like it to be used for labour market analysis, not to pull up their individual record in any sort of a way that would identify them but for statistical analysis purposes. I have sat in a number of forums involving the universities where some of the universities were in favour of allowing Statistics Canada to release the data that is collected on outcomes for our students and others were sitting there saying no way. And my understanding is that Statistics Canada is powerless to release said information so long as our institutions bar the way. I think that could be gotten around by making it so that the individuals themselves say that they want that information released when they take their training.

Moderator: Let's just go for a couple, okay, André.

André Piché (Senior Policy Analyst, Canadian Federation of Independent Business):

I would like to speak in defense of a former colleague, David Dodge. Your comments were partly fair in taking this case, but if you take yourself back to 1981 and you have very high oil prices, what do you do? How do you prepare for the future? You don't know what's ahead and I think that's the dilemma that they faced at that time and they had to do the best forecast they could under the conditions. I think it means that you have to be very prudent in your forecasting but at the present time if we look at the future, we know that the population is aging. We can't change that. We also know that we can't accurately predict what it will mean, but we have to take a stab at that. That's the only comment that I want to make on this one.

The other one is about the individual learning accounts. I don't think it's a gimmick personally. I think it's badly overdue to have responsibility going back to the individual. I think everyone in society now, given the way the economy is changing, has to take more responsibility for themselves and this may be a very useful tool for them to do so. And I think for us to say that it's a gimmick and it's trendy to devolve to the individual, I think it sounds to me a bit patronizing to say that, so I wouldn't want to go that way.

Lars Osberg:

I'll respond to that one. To elaborate on the point a bit further, we have a social interest and a public interest in having labour market initiatives that diversify portfolio skills. In some sense the institutions in society produce specialists in a whole variety of areas for which we have very imperfect ways of forecasting exactly what the payoff to that specific type of skill will be or in fact what that specific skill will lead on to in future skills. So there's an optimal degree of risk sharing involved in this process. One way of enabling people to produce a variety of specialized skills is to have a system where, as we do now actually subsidize, through primary and secondary education, their acquisition of basic skills and then we tax it back from them later on in life and in that sense it's kind of a co-insurance type process. Society as a whole bears part of the cost of investment and society as a whole receives part of the return, and in particular in a progressive income tax system, the particularly large returns are taxed back at a somewhat higher rate.

And so if you have individuals who are risk averse about the future, and they are completely paying out of their own pocket all the upfront costs of their education and then recouping that out of their hopeful but entirely uncertain income stream, they have an incentive to minimize the uncertainty that they're going to face in a future life and to pick occupations, to be a 'Jack of all trades but a master of none,' to be able to cope with a whole variety of changes in their own lives. But that creates a society of generalists rather than a society with a diversified portfolio of skills. So we do have a public interest in having a set of labour markets and institutions that operate in an uncertain world, where some of these specialized skills will be like oil wells that don't pay off and some of them will be oil wells that do pay off, where we are in fact diversifying our portfolio.

And on the issue of forecasting: at the time I thought it was an excellent report and it was forecasting off into the future, but it is a kind of a risky thing to just have one agency out there that's doing all this labour market forecasting. And that's why I think there's a point to be made. For all the resources of the federal government and all the educational, all the manpower forecasters out there, how could we produce this one forecast that was so wrong? 19-year-olds have even less chance and so we're sure that individuals are going to, as they try and reinvent the wheel about labour market forecasting, do an even poorer job. So that's why I'm arguing for the idea of a mid-level institution and a multiplicity of mid-level institutions. Institutions in fact acquire an expertise in their narrow sectoral interest that can be deep enough to be profound about that sector, and so society as a whole has a diversified portfolio of forecasters and a diversified portfolio of investments in a number of different industries. The risks of going to the single central planning model are fairly great, and the under-investment in specialization of going to a completely individualized problem I think is extremely costly in the longer term.

Moderator: Elizabeth.

Elizabeth Beale (President and CEO, Atlantic Provinces Economic Council):

I thought that was very thought provoking Lars and very useful. I did think you were a little unfair to the private trainers, and I often think it's the educational institutions that are the worst offenders here, as Alice raised, and I'll raise the topic of training with respect to management and business. We've had an explosion of training programs and Bachelor of Commerce graduates and young people entering into that program, and yet there's more and more

discussion on our lack of adequate management skills throughout the economy. So in some senses I think public training is equally bad, if not worse, than some private training.

But the question I had for you is slightly different and that's to ask you to extend your qualifications for an efficient labour market back to an example here in Canada of Newfoundland and Labrador where we have had very strong aggregate demand. They've seen enormous adjustments within the internal labour market in terms of the firms and they're moving towards much greater productivity and efficiency within that province. We've seen enormous external changes in the labour market and yet we still have 16.7 per cent unemployment, I think that is last month's unemployment rate within the province. So I guess my question is, what room is there for labour market policies within this context? Is it only nobility that resolves that, or are there other types of strategies that we can put on the table?

Lars Osberg:

On the first issue, the rate of return to college and university education is one of the most studied topics in labour economics, although it's usually studied as a black box in the sense of not distinguishing particular disciplines, or certainly not particular disciplines at particular schools. So the rate of return has held up extremely well both in dollars terms and in access to employment.

As to the particular case of Newfoundland and Labrador, I do think you have to be a little careful about looking at GDP growth in a province where you have a lot of oil and gas coming on stream very quickly and thinking about the employment creation that comes out of that type of GDP growth in one of the most capital intensive industries known to humanity. So I'm not particularly surprised that the number of jobs that you actually get out of that sector compared to the dollars in GDP growth generally is relatively small, right? So now if you're talking about what's the actual solution to the problems of Outport, Newfoundland, it will take a little bit longer than this. But it is actually going to, in my view, if you cut to the bottom line, it is going to involve mobility at some point, if only to urban areas within the province, but certainly mobility.

Moderator: Bruce.

Bruce Baldwin (Director, Ontario Ministry of Training, Colleges and Universities):

I want to jump on the bandwagon of supporting HRDC gimmicks. The question about this is I'm not sure that registered learning accounts are necessarily designed for 19-year-olds entering the labour force and making crucial decisions with imperfect information. I think you did point to the fact that a lot of the real action is going to take place inside firms and it's going to take place with individuals who may not be leaving their current jobs over the coming year, and part of the challenge is how to reduce or spread the risk so as to encourage firms and individuals to invest, and invest perhaps more aggressively, to avoid the generalization of training. I don't know if this initiative is really going to get at that. I do wonder about how people will combine savings for their own retirements with savings for their kids' education and have anything left to put aside for their own education and training, but I think that's a different issue. If it is an attempt to try to reduce some of that risk inside firms, it may not be that bad an idea.

Lars Osberg:

I can also understand that there's kind of a tax advantage. If I take sculpture classes at the Nova Scotia College of Art and Design and I get to write it off against my individual learning account, it'll be cheaper for me. But we'll have this great impossibility of policing through the tax system any sort of distinction between pure consumption and potential investment.

Moderator: David.

David Stewart-Patterson (Senior Vice-President, Policy and Communications, Business Council on National Issues):

I want to follow up on your comment about the fact that people may tend to under-invest in specialization and that the interest in public funding would not be well served by creating a society of generalists rather than a diversified portfolio. I was talking earlier this morning about the difficulty of predicting demand for particular occupations, you know, the level of government policy and obviously the same uncertainty affects individuals. I am not sure that a society of generalists might in fact be what we should be aiming for at the policy level. As you pointed out, change within firms is what dominates productivity growth and from the point of view of an employer these days, I think the primary consideration is, when you're looking at an individual and asking if this is the right kind of person, whether this person kind of has the right attitudes that fit the corporate culture. Is he or she kind of seated to our mission and the way we work at this institution? The specific technical skills that the individual has are simply a mark of the gap between what that individual possesses in terms of technical skills and what's needed for the job that we have in mind for that person today and six months from now and two years down the road. It's investment in training at the firm level that is able to respond to the changing needs of the employer. You're pointing out there is in fact still long term attachment between the individual and a given employer and it seems to me if we focus public investment at the level of generalized education and look to the firms to make the faster decisions in terms of where the skills of a particular individual have to be increased or updated or renewed to do today's job and tomorrow's job and next year's job, maybe that's in fact a pretty efficient outcome.

Lars Osberg:

Well we're all talking about a labour market of about 15 million plus people and an incredible variety of skills. We're really talking about some sort of continuum of generalists to specialists out there and sure, you're not going to be saying that there shouldn't be any specialists. If you go for a heart operation you're going to kind of like specialists at that point. And so my point is that there's a diversified portfolio of skills that we need. We have to realize that people have only their one life to live, only their one occupation they get to choose and if we send the same signal to everybody. . .

David Stewart Patterson:

I'm not sure I agree with that. People change their minds all the time.

Lars Osberg:

Well at any point in time. If we say to everybody that they're best off as a 'Jack of all trades, master of none,' then it's not going to be too efficient.

Moderator: There's one question over there. Bert.

Bert Pereboom (Research Coordinator, Expert Panel on Skills and Peartree Consulting):

Lars, I liked your slide on how labour surplus creates inefficiencies. When we were doing work with the skills panel one of the questions that came up is whether a disequilibrium in the labour market is all that bad a thing. If there is a shortage of workers is that a really bad thing? And it seems to me that, on the product side, if a firm doesn't innovate, it doesn't meet its market and so it dies. The labour market analogy is if a firm doesn't sort of pay attention to its workers, create good jobs in some sense, that firm also will have trouble recruiting the workers it needs and so you, on the product side, will get a creative destruction, but if there's a shortage of workers we'll also get a creative destruction on the part of the quality of jobs. And if you think about if there is a big vacancy rate, what kinds of firms have experienced vacancies? Are they the best firms, the strongest firms and the highest paying firms? Probably not. It's the firms sort of on the bottom of the edge of the labour market that may experience the worst vacancies. Maybe it does, maybe it doesn't, but it seems to me that's how it would work. So if there is a big shortage, maybe those are the firms that aren't innovating enough on the labour market side and we don't necessarily cry too much if they disappear.

Lars Osberg:

Your comment reminds me of when I was in Scandinavia in the mid 1980s and I started talking to some public servants and they were saying that they just couldn't get rid of those textile firms. They're hoarding labour. They're preventing labour from moving to a better usage. Of course they were talking in the context of a 2 per cent unemployment rate. The whole public policy discussion just goes 180 degrees when it's workers that are scarce and not jobs that are scarce. You're not trying to prop up any old lousy job just because it's a job. You're trying to find the labour to fill the needs for those firms that are crying for workers and you can't afford to waste resources in inefficient training programs. You know there's a specific need for a specific type of labour because those firms are complaining all the time. And so the whole political economy of job creation, of job retention, just changes 180 degrees. Going from Nova Scotia to Norway in the mid 1980s it was clear that it was a totally different dialogue about jobs and skills, but you were going to a labour deficit from a labour surplus economy.

Moderator: Is there any other final quick questions? We have to stop sometime but – Sherri, a quick question.

Sherri Torjman (Vice-President, Caledon Institute of Social Policy):

It just follows up on what you were saying Lars. You made the point on several occasions that the macroeconomic context is very important, that you need to have a healthy demand. And it seems to me we're moving into an area right now where we've had a slowdown in many areas of the economy and I guess my question has to do with what signals should we be looking for. How do you know, from a policy context, when to start encouraging training in other sectors

because it's actually a structural kind of change? Or how do you know if it's a demand kind of change, a cyclical slowdown, and you can keep people in those sectors and just upgrade the skills in those sectors? I'm not sure that the signals are clear anymore in this rapidly changing economy.

Lars Osberg:

I actually don't think there's a general answer to that because it'll vary with every business cycle and the old saying goes that every business cycle is slightly different and so I don't think there's a general answer to that general question. It has to be solved each and every specific time.

Unidentified Male Speaker:

If you're an adult worker who's lost his job, the government will pay for your training, or if you've reached the point of destitution that you're on social assistance, the government will pay for your training. But if you're an adult worker that is not in great distress and you want to improve your skills, there's no one to share the risks except your employer. And so if you're not interested in just the training your employer will give you, you have to do all the investment yourself and take all that risk on your own back. It would seem that the ILAs, far from putting the risk on the individual, are the only things that we have in sight in which the government would actually share the risk through the 20 per cent grants that the government would be giving into those learning accounts.

Lars Osberg:

Well there still remains a substantial public investment in post-secondary education. People aren't actually paying the full market rate for a university course, for example. So in that sense people aren't doing all the investment themselves, in terms of out-of-pocket costs being shared. In terms of their foregone earning costs if they have to take time off work of course that's not the case.

Moderator: I know there are some more questions, but I really think we have to get on to the next session. I think you can see from the number of questions that came up that Lars certainly stimulated debate, and that was the purpose of his presentation so I'd like to have a round of applause for Lars' presentation.

Session 3: Immigration and the Needs of the Canadian Labour Market

LEAD SPEAKER

Paul Swinwood, Executive Director, Software Human Resources Council

I'd like to give a little bit of background. I've spent my life in the private sector. I've been about 41 years in the high tech community, building companies, building organizations. I have had probably well over 3,000 employees working for me at various assorted times and so therefore run into most of the challenges facing us in recruiting, retaining, finding, training and all of the other issues. My background gives me a little bit of an opinion since I've both developed and bankrupted companies over that time and it also gives me a different focus.

What I'm here to talk about today is one of the activities that my board of directors got me involved in. As we looked at the growth of our sector – and anecdotally, the sector is now approaching 800,000 workers – we found about an 8 to 10 per cent vacancy rate, working through the issues. I won't put a number on that 8 to 10 per cent vacancy rate because it includes a few other things that are going on, but it is significant in a sector that's trying to grow at a rate of about 30 per cent a year.

One of the challenges we're looking at as the government has measured things is the telecom sector: I guess the information telecom sector is only one narrow portion of what we're looking at. And believe it or not, the largest employer of IT workers in Canada is not Nortel, IBM, or HP; it's called the federal government of Canada. So of course the people that we're looking for, the challenges that we're looking at, are everywhere. One of the things we looked at was the temporary worker process, the ability to bring people in with the right education, the right experience, the right competencies, the right skills and the right tools. And we pulled together 50 companies who all got together and opened their kimonos and said this is what I'm looking for, even though it meant the competition knew what they were looking for. Welcome to some challenges we've had at the council. If you get Nortel, Mitel and Alcatel all in the same room saying this is what I'm looking for, a smart person knows exactly what it is they're developing next. We have some challenges.

Anyway, we then went out and did a 500-corporation validation of the seven streams that we'd identified as being in short supply. We worked on those streams, including education, experience, competencies, skills and tools, partnered with HRDC and Citizenship and Immigration, and came up with a temporary worker pilot process that in about 20 months processed 4,000 workers into Canada. Fifty-five per cent of those were available for work in Canada within one week. The process can work. We also made sure that if it had anything to do with health or security that we did not short-circuit any of those processes. What we made sure of was that the company made the offer, the company took the risk and the company lived with the consequences so that a visa officer in some foreign mission overseas did not have to make a decision on those items. If a person shows up with an offer letter from a valid Canadian corporation identifying the education, the experience, the competency, the skills and the tools, we created a process that became approval rather than disapproval and it worked.

One small company that we worked with here in Ottawa started with one employee and now has 69 employees. They found this competency in Germany. They now have 69 Canadian employees working with them. We have another company that we were just at last week with a grand opening here in Canada, which started out with two people. There'll be probably over 500 employees in that company. So looking at the temporary worker process and the industry validation, we've created a model that works in partnership with Citizen and Immigration and HRDC. I can go down the other side of it and tell you all of the troubles and trials and all the challenges we've had, but I'll leave it at the positive side. It can work. If we look at – and this is what the recommendations are from my board – the free flow of knowledge workers into Canada, we can create Canada as a nation of choice for those looking to move. As I said to someone a little while ago, I'm probably the only one here that has been sworn at by the president of the Soviet Union. "Stop stealing my good people." It was the only part of his speech that was in English and he looked me right in the eye as we were reviewing this process in Washington.

The recommendations from the Expert Panel don't go far enough when looking at the immigration process and the ability to attract people to Canada. One of our major challenges on the temporary worker process is the spousal work opportunity. I know it's there. Nobody knows how to make it work. And of course if we bring a family over, we have to send their teenaged children back home in the summertime so they can work at McDonald's in Paris, or wherever they came from. They can't work here. So there's a whole bunch of challenges around making Canada a nation of choice.

We have to have an attitude of policy change. Canada needs to attract immigration to continue to grow. The companies that we are working with are international and are global. Their employees work all around the world. We need to have that free flow of knowledge in a knowledge-based economy. Minister Stewart last night said 70 per cent of the new workers were immigrants in the 1960s. I'm not sure where the data is for the 1980s and the 1990s. We're now part of a global economy. We have to make it easy for people to come to work in Canada and to want to come to work in Canada. So let's look at the policies. Let's look at the methodologies that will free up that flow of workers into Canada. Yes, we'll lose some. Yes, there's a brain drain. But let's make sure we put a policy in place that says it's easy to come here and let's make Canada the place people come for the high tech economy. We don't do that today. We make it difficult, we make it hard. We've shown a process. We've piloted it. It works. We're now in the process of making it permanent and trying to expand it. With that I'll stop.

LEAD SPEAKER

Alice Nakamura, Winspear Professor, Faculty of Business, University of Alberta

Thank you. I've been invited here to share what I see as reality so I've got to begin by saying that although I agree with what Paul Swinwood just said about the software developers program being a success story, I disagree with the premise that immigration can be or should be a key platform of how we're going to deal with our skill shortages. I agree that the program was a success in terms of admitting needed talent. In fact I hired somebody under it; somebody who is now in London in a half million-dollar job. Workers in other countries will be greatly affected by perceptions of advantages in other places in the world; I would argue, more greatly affected than the native-born. So I would see Canadian employers as less advantaged in being able to

hold onto the foreign-born than they are in being able to hold onto the Canadian-born. If you take a worker who was born somewhere else and who has decided to look the world over for another place to go, that is a person who isn't going to have other things holding them back when, say, a US company or a London company comes along and offers them more money.

A second reason I question the emphasis on immigration as a main way of dealing with skill shortages is that it makes us dependent on better planning and skill development being carried out somewhere else in the world, and somewhere that people are willing to leave to come here. How else could it be that somewhere else in the world there are those people we could attract and hire when we didn't train enough of that talent here?

A third reason that I have a problem with this approach is that it leaves us at the risk of the appearance, if not the reality, of poaching from other countries that are less well off. If we'd gone and stolen a Soviet work of art that had been paid for by their citizens and then it showed up in one of our museums, it would be a problem; we would see that. Now, if that same picture had legs and simply got up and walked away of its own free will, perhaps there isn't a problem; who knows? And if we actively encouraged it to get up and walk our way?

In thinking about our immigration program and our talent needs, I feel we should focus more on things that improve the general attractiveness of working in this country as opposed to focusing more narrowly on things that just have to do with the immigrants themselves. If we look at the law, too, the immigration law says that there are three main aspects of what immigration is supposed to be accomplishing and the first of those is to reunite families. It's only the third that has to do with economic development. When we admit large numbers of immigrants for economic development purposes, they in fact become entitled to bring in family members and a variety of other relatives. And every one of those people becomes entitled to bring in others. I don't know if you've looked lately at the distribution of education for the relatives brought in by economic and, in particular, business immigrants. It's not all that favourable from the perspective of improving Canada's human capital. Also, many of the women who enter as supported spouses, later end up on their own due to widowhood, divorce, or other sorts of separation. At that point, many of them have grave difficulties finding a place in the labour market. Immigrants who come to Canada without prearranged employment, and especially those who come without being proficient in either official language, have been having a harder time in more recent years finding suitable employment. This is despite the higher average levels of education for the more recent cohorts of immigrants.

So for all these reasons I do not think that we should be looking at immigration as a key means of skills development, even though I strongly support the Canadian immigration program on other grounds.

I'd like to suggest six things that I think HRDC is ideally positioned to do and which could greatly help the Canadian labour market. In this respect I would like to say I very much agree with Lars Osberg's proposition that the main thing driving employment opportunities for individuals is the health of our labour market, and of our overall economy.

The first thing that I think HRDC could and should vigorously push for is a rollback on the Employment Insurance (EI) payroll tax. It's the second largest tax in the nation. It is true that empirical economists like myself have been unable to produce reliable estimates showing that there is a negative impact of payroll taxes on employment, but these last two years I've been

responsible for a university faculty volunteer project, www.CareerOwl.ca. We founded a company to provide Internet services and I've been responsible for a payroll for our company. I'm exceedingly aware now of the fact that payroll taxes must be paid before a business makes its first dollar of profits, in fact, before it breaks even. So, payroll taxes are qualitatively different from other sorts of taxation in terms of their impact on start-up fledgling companies of the sort that Canada is trying to foster in the high tech area. A business that fails cannot generate employment, and this effect will be missed in econometric studies because the data we have does not readily permit examination of this sort of effect, that is, the employment that might have been but isn't there to be observed.

A second thing that I think that HRDC could and should do is to amend Bill C-2, the legislation now in parliament that would get rid of the experience rating in the EI program. If we look at the record between Canada and the United States, both countries have large employment insurance programs going back to shortly after the great depression. The United States program, their caseload and their expenditure amounts grew much more slowly than the Canadian one. There have been all sorts of analyses of why this is so, but certainly an important reason is the fact that in Canada we've had what amounts to negative experience rating in our unemployment insurance system, so that if you lived in a part of the country where the risk of unemployment was higher, you were entitled to qualify for benefits with fewer weeks of employment and could continue to receive benefits for longer; that is, you could get more back but paid in less in premiums. Surely that negative experience rating had some role to play in the way the unemployment insurance program caseload and expenditures grew in this country. And at any rate, if we look at the United States where the unemployment insurance program is a state-based program, all 50 states have (positive rather than negative) experience rating as part of their program, so that using the program more causes the premiums paid to rise, and it's been that way since way back. This sort of experience rating does not necessarily suppress repeat use. The U.S. has repeat use too. I don't think anybody knows how to really suppress that repeat use without cutting off some of the people that the program is supposed to help. But what the experience rating does is to make the repeat use less costly, and we need those cost savings as badly as the Americans do. Our employers are at least as much hurt by higher taxes as the American employers are.

A third thing that I think HRDC could do is implement the proposal of one of my colleagues, Erwin Diewert, for reducing deadweight losses associated with pension programs. His proposal builds on the power of compound interest to reduce the costliness of the program but it also has something in common with the learning accounts HRDC has proposed, for which I have some considerable sympathy. These proposals would make it so that an individual sees his tax payments as more closely related to something that he himself benefits from, and in that way these measures should help reduce the deadweight losses that would otherwise be associated with the taxes.

A fourth thing that I would recommend is that HRDC should put a high profile end to the bad jobs/good jobs or the smart jobs/dumb jobs rhetoric that comes out in all sorts of publications and in other forms such as little sitcoms on television. That rhetoric was well intentioned. It has its origins back in the Economic Council of Canada. It grew from the good intentions of trying to get our young people to stay in school. All the provincial governments picked it up. But the jobs that end up with the 'bad' or the 'dumb' label are disproportionately the jobs available to new immigrants who are trying to make their way into the labour market, particularly the family class of immigrants. If we have people who are struggling to be self-sufficient and we call their

jobs dumb jobs or bad jobs we are striking at their efforts to be self-sufficient. People have a craving need for self-respect. These are important jobs. These are the jobs of caring for our children and the infirm, these are the jobs of working as labourers on construction sites, these are the jobs of driving cabs and busses in our cities, all jobs where we need people to be capable and responsible, or there can even be loss of life. I think that the bad jobs/good jobs, smart jobs/dumb jobs rhetoric should be ended and it takes somebody to stand up and actually do that. This has become a habit and won't end without someone saying it should. HRDC could do this.

My fifth recommendation is that HRDC and other government departments should cease the inadvertent marketing of our immigrant and native-born talent to corporate America. I wonder how many of you looked at what came with your newspaper this last week, a booklet titled the "Top 100 Internet Sites for Learning and Employment." It tumbled out of one of the two national newspapers that our family subscribes to. This HRDC-sponsored booklet was printed and distributed all across the country at taxpayer expense. The site listed as number one in this booklet is Career Experience, found on the Internet at www.careerexperience.com. The description for that site in the HRDC-sponsored booklet begins with the glowing endorsement, "This American site has a lot to offer." It then ends with a tip: "Before registering, be sure to read the registration information so that you know what you are getting involved in." That tip will not help most of our students and graduates understand that when they register on a site like this and not on the Canadian oriented sites as well, they are making their qualifications more easily searchable by large U.S. corporations than by the local businesses that are paying taxes to support their education. Employers are charged hundreds of dollars for putting their job postings on the commercial, mostly U.S. based sites, and thousands of dollars to browse the job seeker information on those sites. That's a small cost for Microsoft and many other Silicon Valley companies, but a large cost for many of the businesses here in Canada that need our business school and science graduates.

The Canadian government Public Service Commission job site, the site where the federal government job openings are advertised, appears much further down that list of 100 top sites. It comes *after* monster.ca. But [Monster.ca](http://monster.ca) is part of monster.com, the Internet face of TMP WorldWide, and when our students and graduates enter their information there, again they become very easily searchable by corporate America. A larger proportion of corporate America is online, probably because larger businesses are more likely to be online. It's not that as a *professor* I think it is bad for my students to register on Monster.ca. I recommend that my students should do that if they ask. I recommend that my students should check out and sign up on *all* the job sites with jobs of interest to them, since registration is free for jobseekers, and this is how my students can have the best options to choose from. But I think that the Canadian government should also take account of what the implications are for our employers of placing U.S. and U.S.-affiliated e-recruiting sites in front of the Canadian ones. It creates the impression that these are *better sites* for Canadian jobseekers to use, and may result in them failing to register as well with the Canadian oriented sites.

One of the things that HRDC-sponsored booklet doesn't say a word about is the costs to employers. It tells readers that all the sites listed there are free for the jobseekers, and indeed they are. But what the booklet fails to say is that, in the case of the commercial e-recruiting sites, many are charging hundreds for postings, and thousands for a search of candidate records. There are lower cost and free alternatives for employers, including the Canadian government sites. HRDC has a really good Electronic Labour Exchange site at www.ele-spe.org. There's Campus Worklink at www.CampusWorklink.com, which was built by Industry Canada. There's the

Public Service Commission site at jobs.gc.ca/home_e.htm. There are numerous Internet employment information and e-recruiting sites that are part of the university careers offices, and of industry and trade associations. And there's the www.CareerOwl.ca site that was founded by Canadian university faculty members. These sites are all listed in the HRDC-sponsored booklet, but they are mostly way down, coming after a number of U.S. and U.S.-affiliated sites such as Monster.ca. I think that's wrong. I think that the American (or foreign) and the American (or foreign) affiliate sites should be grouped and labeled as such. Think about the case of products sold in stores. Those from other countries are commonly labeled as such. And yet, an apple or a shirt may not differ in any important way depending on national origin. In contrast, it is an important difference from some national interest perspectives if those trained at our publicly subsidized educational institutions are mostly signing up on e-recruiting services through which their qualifications and contact information become most readily available to American and other foreign recruiters. It seems inappropriate for HRDC to use Canadian tax dollars to preferentially help U.S.-based recruiting companies sign up the talent they are searching for this side of the border. I also feel that the fees that our employers are charged for using the different services should be visibly included in the next version of the "Top 100 Internet Sites for Learning and Employment" that HRDC sponsors. It is an important detail, for example, that *unlimited* Canadian job postings for a year on www.CareerOwl.ca cost the same amount (\$500) that a *single* job posting costs on a number of the commercial e-recruiting sites listed in this year's booklet. And small employers especially might benefit from learning that they can place a single posting on the site that Canadian faculty members founded for just \$25, an amount that almost any business could spend out of petty cash. The money that Canadian companies save on recruiting is money they can use for other important things like training and development for their employees.

My sixth and final recommendation is that HRDC should try and regain the leadership position they had in the 1990s for developing good labour market information, for the analysis of this information, for open debate and for the things that they once did that revolutionized labour market economics on our campuses. If I think back to the beginning of the 1990s, I can remember going to a conference where there were US labour economists and Canadian labour economists and where the US labour economists knew vastly more about the programs in their country than the Canadian labour economists did, and that situation was obviously carrying over into the classroom. But since then, HRDC did a number of things that helped to get our students using Canadian data, and completing theses done with Canadian data and that helped to make faculty members aware of Canadian data and our programs. HRDC needs to go back to doing some of those things and HRDC needs to rehire some of the people that they once had who were extremely effective in their campus outreach and in motivating and teaching academic and other outside researchers in Canada about using Canadian labour market data.

So in summary, I think that HRDC needs to do things to help the general economy like rolling back the EI tax and keeping some form of experience rating in the EI program. I think that HRDC needs to explore other ways of delivering programs like the CPP/QPP pension programs. I think that Diewert's proposal that builds on the power of compound interest merits serious attention. I think HRDC needs to get rid of the smart jobs/dumb jobs sort of rhetoric. I think HRDC needs to re-examine what they're putting out in terms of information about e-recruiting and labour market information services. The services recommended should be considered from the perspective of how best to help Canadian workers have jobs and how best to help employers find the talent they need, including both the talent of the native born and also the talent of immigrants. New immigrants to this country mostly settle initially in Toronto, Vancouver and

Montreal while the employers who need their skills may be elsewhere. And I think that HRDC should try to regain the leadership that they demonstrated earlier in this decade in developing and encouraging the use and free dissemination of findings from Canadian labour market data; that was tremendously important to all of us.

I appreciate being here today, and the remarks that I have made grow out of years of working with, and a deep respect and admiration for people at HRDC. Thank you.

LEAD SPEAKER

Howard Greenberg, Partner, Greenberg Turner

I am a corporate immigration lawyer and I have had a very strong involvement with many software companies involved in the new economy. My observations are based on the premise that insofar as the movement of skilled workers is concerned, there should be no real borders in a traditional sense. It is difficult to protect a local labour market and for that matter it is difficult to justify. What leading edge employers require is the knowledge, resources and expertise to turn software around in four weeks, not 12 months. Their competitors down south are doing it in 12 weeks and time is critical to survival in the technology industry. It is therefore fundamental for HRDC to appreciate the need to articulate a policy and a practice that attracts the best, brightest and the highly skilled, which addresses labour market shortages.

In this marketplace the immigration game is very simple to understand. It's premised on push/pull factors. The pull factor is what Canada offers skill workers abroad; a vibrant economy, which has leading edge technology and employers that are willing to seek out expertise. In this context, my first recommendation is for HRDC to play a more prominent role outside of Canada. This process should not be left to immigration officials, for the simple reason that their role is that of delivering an immigration program. They have no qualitative understanding of the substance of the Canadian workforce and the skills shortages. HRDC must seek out and target appropriate candidates.

My second point is the need for transparent and efficient immigration process. How can we possibly compete in a marketplace in which we process permanent immigration at some visa posts in periods ranging from one to three years? How could you logically expect that somebody would put his or her life on hold and make a long-term decision to come to Canada that could take three years to complete? That can't be reasonable in a global, competitive environment.

The third point is a need to embrace determinations made by an employer in a selection process concerning the identification of an appropriate foreign worker. If an employer recruits utilizing its knowledge and expertise, what review process by Citizenship and Immigration or HRDC is appropriate? The employer is in the best position to understand its needs.

My fourth point is that HRDC has to clarify its policy, articulate its policy in a meaningful way. There appears to be a 'Canadians first' policy in place in this country in which HRDC screens foreign workers based on prejudicial impact to the labour market. There is also a net benefit policy, articulated at a National level, which does not look at determining if a Canadian worker is available as the only factor, but instead weighs up all the factors relevant to deciding whether the foreign worker's presence has an adverse impact on the labour market. These factors include

technology transfer, the ability of the foreign worker to train Canadian, and the uniqueness of the skills possessed by the worker. The net benefit test evaluates the totality of benefits which accrue in bringing the foreign worker as against the direct labour market implications to Canadians. If a hardware designer will design a leading edge product that may create five other job opportunities or at least transfer the technology, is it important to evaluate whether a Canadian worker may have the opportunity to access this position? The HRDC's internal policy is presently in conflict. Accordingly, HRDC must clarify its policy inside Canada so employers understand what the rules of the game are.

We've all read newspaper headlines in the last couple of weeks about changes in the new economy. We must understand that a labour market policy is a long-term policy. There will be bumps and grinds along the way. But at the end of the day it should not attempt to address or have regard to short-term changes in the labour market. In order for companies to remain competitive they will have to pare down core operations and become more competitive by shifting the focus of their workforce. And if some employers are not as competitive as they could be, they will restructure. Workers will leave one employer and will likely be absorbed in another sector of the labour market. HRDC should observe and comment on this process, but it should not react by changing its entry requirements or validation policy. This HRDC policy must, in fact, be a long-term policy for meeting long terms skills shortages.

LEAD SPEAKER

Wilma Vreeswijk, Acting Director General, Labour Market Policy, HRDC

This is quite a stimulating debate to be speaking last on. And I'd like to invite all of you other HRDC folks to add to my comments. I'm going to stick to the subject of the session which is Labour Market Integration of Immigrants although it is incredibly tempting for me to respond to some of the comments on other issues like Employment Insurance.

I wanted to place immigration in the context of the overall labour market. The Canadian labour market is performing quite well and we have a falling unemployment rate. The education of Canadian workers has increased so that now 60 per cent of Canadian workers have post-secondary education. And if we start looking at the future we know that there will be an impact of demographics, young people staying in school longer, fewer young people and a larger number of workers retiring. From a labour demand perspective, we know that skill requirements are increasing and that even for low-skill jobs today there is a requirement for high school education.

From the efficiency standpoint we know that there are some concerns in terms of labour shortages: the CFIB report – and you can read the newspaper this morning – says as much. But we do not see generalized labour shortages, although we do see them in sectors, parts of the country and occupations. At the same time what's important to remember is that even at a time when we have a significant job growth, even when we're looking at 25-year lows in terms of unemployment rates, and 10-year lows for youth, there are still 1.2 million Canadians unemployed in Canada and in some regions of the country we do have double digit

unemployment rates. So that's a bit of a reality check as we start looking at the potential for different programs to be responding to demand.

How does immigration fit into this picture? Immigrants accounted for almost 20 per cent of the labour market and in the long term looking at our demographics and population growth projections, we expect that the importance of immigration will grow. Who are they? There are three classes of immigrants. The economic class, which has been much talked about today, represents actually between 15 and 25 per cent of new immigrants. The remaining 75 to 85 per cent are coming to Canada as part of the family class or the humanitarian class. So when we're talking about labour market integration it is not just the economic class where we have to focus, it really is a broader group. The temporary foreign worker program has expanded over the last few years and it is designed to respond to short-term labour shortages and considers, therefore, the domestic labour market in determining whether there are Canadian workers that would be displaced. Under this program we had about 70 FTEs and this has grown, as I said, significantly over the last few years.

So if you take a summary of what's happened in the last 10 years, there are more immigrants. We've had two million new immigrants over the last decade, more in the economic class, but interestingly we've had more immigrants with post-secondary education. This has shifted from 28 per cent of the immigrants in 1984 with post-secondary education to 45 per cent in 1999. The reality is, whether we are concerned about immigration being the primary pillar or not, immigrants are in Canada and the challenge is how to integrate them better.

The major receiving provinces are Ontario, Quebec and B.C. with close to three-quarters of new immigrants residing in Toronto, Montreal and Vancouver. When we look at how they're doing, economic immigrants are doing better than other classes, but essentially that is very similar to what's happening for native-born Canadians. Those with post-secondary education do better and those without post-secondary education still show lags 15 years later. Those with a knowledge of English and French do better and those that don't have basic language skills have significant difficulties integrating with lags even below the Canadian average 15 years later.

And how has this changed over time? Actually the trend is towards worsening performance across all classes of immigrants even with higher education of the immigrant population. There are significant challenges in terms of integration. We have higher unemployment rates and lower initial earnings. Why this is happening is not entirely clear. It may be due to the increased skill levels of the Canadian labour market and increased competition and reduced absorptive capacity of the Canadian labour market. But there are also structural barriers to labour market participation of immigrants. With some of the issues that have been raised here and in the hallway earlier on, foreign credential recognition is a significant challenge for new immigrants and when we're looking at attracting the best and the brightest this is certainly something. If we're attracting the best and the brightest and yet at the same time they've had difficulty finding work in their field, we'll be handicapping ourselves in the future. In terms of language abilities it's very hard to work in Canada if you don't have the basic language skills in both official languages. But there are also issues in terms of employer attitudes and the potential for discrimination. And certainly there are employer groups that are leaders. But our survey is showing that employers tend to favour those who are educated in Canada and those with experience in Canada so there's certainly some challenges there for employers.

I think it could be said that we could be doing a better job in terms of tailoring our labour market information to new immigrants, both in terms of prior to their arrival in Canada as well as after so that they can make informed decisions about their prospects.

So to conclude, I think that we all recognize that immigration is an important contributor to the growth of the Canadian population as well as the labour market. But they're not performing as well as previous cohorts and I think that's a challenge for all of us and this may be presenting missed opportunities for Canada in terms of the future. We need to focus a bit more attention on levelling the playing field for immigrants that are here as well as attracting the best and the brightest, and recognizing that the two are interlinked. This is certainly something that the department is working on and the government has recognized as a priority.

PARTICIPANTS' DISCUSSION: SESSION 3

David Stewart-Patterson (Senior Vice-President, Policy and Communications, Business Council on National Issues):

Let me just echo Howard Greenberg: it is a war out there. It's certainly something I've run into in discussions with our member chief executives and it runs across just about any industry. It's not just a high tech problem. I would agree, though, that immigration is not a substitute for the need to develop our homegrown talent. I mean that is where the vast majority of our labour force is and is going to come from and has to remain the top priority. However, I think immigration policy is also more than simply a short-term stopgap, something to help us meet temporary fluctuations in labour market requirements such as the pilot program in terms of temporary immigration in high tech. I would suggest that if we're going to grow in this country, and whether we define growth in terms of GDP or in terms of broader measure of social excess, Canada's going to have to become a preferred base for companies that operate not just domestically, but also globally. And to succeed globally companies have to build and grow their base of people with experience that goes beyond our borders. And there are two ways to do that. One is to take your homegrown talent and move it around the world: you give them that experience and then you hope that they're still wanting to come home to take on the ultimate leadership roles, and that has become a significant issue. Our members have certainly told me that their big problem isn't that they get good employees poached, it's that when they move their own employees abroad to build that experience, it becomes a real challenge to bring them home, even when they're being offered top jobs.

So the other way of course to get global talent is to recruit it from abroad, and I would agree with Alice Nakamura that once somebody's demonstrated the willingness to cross a border for a job, they're that much more likely to do it again. But that doesn't mean you shouldn't be competing for that talent. In many cases though, especially when Canadian companies are moving into new markets, the talent doesn't exist domestically and you have to try and recruit from wherever that talent exists.

So one way or another, I mean I don't think we've got any choice in the matter, if we're going to get the talent we need, we have to work on how to develop better talent domestically but we also have to build immigration policy into that as part of the equation. And I would suggest that our policy in terms of skilled labour is going to have to shift more broadly in the direction of the software pilot project, and shift the emphasis from one in which we're sort of looking at an application and looking for reasons to screen people out to one in which immigration policy is in fact part of an active marketing effort to sell Canada's virtues as a place to live and work to the people, at least to the people we need.

Part of that is making Canada attractive and again I would agree with Alice that we need to look at what is going to make Canada an attractive place for Canadians to want to stay and to live and to work and all of that. But the same things that make it attractive to Canadians should be making it attractive to the kind of skilled immigrants that our enterprises are after as well so that builds in everything from the investment that creates the leading edge opportunities in any field, the compensation question, the taxation question, the whole quality of life reputation as well.

Second though, aside from simply making Canada attractive, more specifically we do need to make it easier for skilled people to get in and to stay. When an employer is trying to recruit, the

last thing a potential employee cares about is bureaucracy. If there is any bureaucracy, if there is anything that's going to get in the way, well that's fine, I'm not interested. It's the employer's problem to take care of. And if the employer can't do that easily, then that's a potential loss, a lost employee. But I think I certainly agree with some of the recommendations the Expert Panel on skills made in terms of making access easier for skilled people and they specifically referred to offering permanent status to international students who complete their degrees here. That's one way. You've already got an attachment there when somebody's come to stay for a few years, in a very formative part of their lives. I think that's a good time in people's lives to be recruiting them and to bring them into our labour force.

I think at a process level we do have to, as Howard Greenberg was suggesting, make it as easy as possible for employers. It's one thing if you want to put the onus on employers to do the recruiting but of course with all due respect to Mr. Greenberg, we shouldn't have to have companies spending vast amounts of money on immigration consultants and immigration lawyers to help people through the system. It should be simple enough to deal with directly. Part of the problem of course is the multiple layers of government that get involved. And here we can deal, not just with the sort of barriers in terms of getting the permission to get into the country, but some of the irritants that can flow from changing a workplace. I was at another Roundtable a few weeks ago where a high tech company gave the example of a person he'd managed to recruit from Hong Kong, a senior level executive. They got over the fact that hey, this is a place where you can work on the leading edge, they got over the compensation question, they got over taxation and the additional compensation required to make up for the tax burden. He took the job, came in, bought the house, bought a couple of cars and then discovered that the first thing that was going to happen was the Ontario government would make him write a driver's license exam all over again and take away his license until they could get around to scheduling a practical test and even then it might be the graduated license and he'd have to sort of be prohibited from driving on the highway and things like that. If you didn't grow up in Don Valley, well, you're going to have to learn all over again. It's not that it prevented that person from coming to a Canadian enterprise, but it's the kind of message that gets back to that person's contacts abroad, and what that does to our reputation, even little things like that can affect subsequent abilities to recruit from abroad.

On a more serious note, credential recognition's been brought up already again. That tends to be handled at a provincial level and within self-governing bodies within the provinces in some cases. I think that's an issue that needs to be looked at. And that brings me to my final point, which is, let's not forget about internal barriers to mobility that come into play here. I've run into circumstances where a Canadian company has on the one hand been denied the ability to recruit from abroad because there's a sufficient supply in Canada, and yet been unable to fill those vacancies within Canada because of barriers to mobility or discouragement to mobility within the country. So when we talk about immigration we shouldn't forget about the domestic impact of that and things like the agreement on internal trade.

Moderator: They were all good points. Andrew Jackson, did you have some comments?

Andrew Jackson (Director of Research, Canadian Council on Social Development):

Well just very briefly. I wanted to pick up and commend Wilma for her remarks and presentation and to underscore that when we look at the income and employment experience of particularly visible minority immigrants to Canada in the 1990s it's really an incredibly

depressing sight when you really work through the data in terms of the income and employment gaps. There's some excellent material in the handout. We've done some of this work ourselves recently for the Canadian Race Relations Foundation. But if you control for everything, including university level of education, the gaps between recent visible minority immigrants, particularly blacks and South Asians, are just absolutely dramatic, I mean the low-income poverty rates are incredible. And they're very, very difficult to explain, I think, solely by reference to structural obstacles. Credentials recognition is clearly there as a fact and no doubt there is a whole issue of matching of credentials. But I think if you really work through the data and some of the recent work by Ormstein and others, there is quite compelling evidence in there of racial discrimination in employment in Canada. And I think that really has to be squarely on the public agenda if we're talking about 'inefficiencies' in the labour market. I don't think there's much doubt there's very significant under-utilized skills on the part of the recent visible minority immigrant population. If we're not careful in this country, I think we will produce a racially defined underclass. We don't know at this point to what extent those groups are sharing in the recovery. We know that they weren't getting much out of it from 1995 through 1998. Perhaps things have begun to improve. But if that improvement doesn't start feeding through very soon, we will have seen people that came to Canada early in the 1990s go through a decade of often very precarious employment and long periods of unemployment. So I think this really is an incredibly serious labour market issue that should be addressed. I really appreciate the comments that were made and just wanted to reinforce them.

Moderator: Thank you. On one hand we have Howard recruiting people from India for high tech jobs, and on the other hand many of our visible minority immigrants have done poorly in the labour market. There seems to be two stories of the 1990s. Who'd like to speak next?

Unidentified Male Speaker:

It's not a question perhaps, so much as a comment on Andrew's reference to the report which I think you mentioned referenced a study about half a dozen times, a study we did and reported a year ago based on census data. What it didn't point out, at least on my reading of it, was that we were looking at the relationship between credentials and labour market outcomes, we were looking at university graduates, but we were particularly looking at a variation of cost, fields of study, and we were looking at relationships between field of study and areas in the labour market in which people sought employment. And the quick point is that we were looking at visible minority and immigrant status and comparing that to the reference group on wages, employment, job satisfaction and membership in a profession. The interesting part I think was that the greatest gaps, lowest satisfaction and the greatest employment instability occurred in the commerce area, in other words by employees in the private sector. The converse was the case in the professions. So it would appear that they are, perhaps, more sensitive to equity principles and practices than the private sector.

We did a subsequent analysis of the data looking, although it's an imputed variable, at place, where these people got their degrees, and as you indicated our preliminary analysis is that both place and work experience are critical mediators of outcomes and so too is gender and of course they interact. And it's really complex, but I think the argument perhaps was made that once you get out of employers' ways in their attempts to attract highly educated, highly skilled immigrants, perhaps some attention has to be paid in the private sector to the treatment of these employees once they're here. Just an observation based on the data.

Moderator: Sherri, did you have a comment?

Sherri Torjman (Vice-President, Caledon Institute of Social Policy):

I agree with you Andrew. I think there really are two stories here and my question has to do with the people who are here and who can't find employment. I think professional associations clearly have an important role to play with respect to accreditation but they also have a vested interest in keeping people out and keeping the supply very tight and I'm wondering what steps can be taken from a policy perspective to break that stalemate. I don't know whether sector councils would have a role to play in this regard in terms of identification of core areas of knowledge and skill, or somebody mentioned this morning the Red Seal approach. The sector council with some clout from employer organizations may be able to move beyond the current situation that we're facing.

Moderator: Bruce.

Bruce Baldwin (Director, Ontario Ministry of Training, Colleges and Universities):

Looking at what the barriers are to accelerating the integration of foreign-trained workers' credentials is certainly an important piece. Information is an important piece as well. I think this is one of the areas where the federal government might play a more productive role, particularly in making sure that visa offices not only provide information about labour market demand, what kinds of jobs are in high demand but also in sharing some of the information about what kind of steps somebody might anticipate in how they would bring their credentials into play. Language training, job experience, these are all specific barriers and I think successful efforts have to sort of group these things together.

We've introduced a credential assessment service in Ontario. It is a voluntary service. Its success will depend on the credibility of the assessments that are carried out. It does not force occupational bodies or employers to give any particular weight but it will hopefully provide a credible assessment of what somebody's learning somewhere else means translated to Ontario standards. We have also just signed contracts to introduce two bridging programs that are sort of pilots in how we bring these things together, one for foreign-trained nurses, and one for foreign-trained pharmacists. I think Centennial College is involved in the foreign-trained nurses program. These pieces combine, providing work experience, providing language training. There's a fair bit of counselling involved to look at what the specific barriers and problems are and try to provide a process for assisting the people working through the program to bring their skills into play more quickly. It is a very complex issue. I don't think there's an appetite right now to legislate or force occupation bodies to give up any of their current legislative responsibilities and in the meantime it's trying to put all the pieces in place to provide that kind of assistance.

Moderator: Thank you. David.

David Slater (Secretary-Treasurer, Centre for the Study of Living Standards):

I'd like just to remind people of a couple of background features in all of this. The first one is what a high price we paid for John Crow. I mean that very seriously, that we in this country pursued almost a savage reduction of inflation policy at a very inopportune time and we had

unusually slow growth and out of that slow growth came a lot of these spillovers we've been talking about. In situations like this it is the least well educated, the least well equipped who get hurt much more than other people. I think I should also note that Alice has suggested that HRDC should engage in certain tax changes. Well I should remind you that through much of the 1990s we had actually increasing taxation, not decreasing taxation. It was defended on the ground that we got ourselves into such a terrible box with debt and debt service and so on, partly again reflecting John Crow's influence, but nevertheless it is a fact that we ended up before the [inaudible] in budgets with higher taxation in this country rather than lower. And again, that has acted as a deterrent in the economy and so some of these things that are appearing in discussions of labour market problems should not be blamed totally on the people concerned with labour market policy. I think a great deal of the difficulty we've had in this country is a by-product of an absolutely dreadful, atrocious macroeconomic policy through much of a decade.

Moderator: Thank you David. Is there any other – who would like to speak? Derwin.

Derwin Sangster (Director, Business, Canadian Labour and Business Centre):

Two points. One a question, one a comment. I think in about four months time, on July the 1st, 2001, I think that's the date, if I'm not mistaken, where a deadline has been set for the removal of, or for their rationalization I guess, professional and credential organizations with inter-provincial differences, in the context of the agreement on internal trade. I have a sense from conversations I've had that come July the 2nd there will still be quite a number of organizations who won't have done that and we'll still have built in to a lot of our credentialing assessment processes a number of continuing inter-provincial differences in terms which obviously will affect inter-provincial mobility. I guess a question there strikes me, and that is, organizations have had a long time, a fair amount of time I guess, to address these issues, and the question might be what sanctions, if any, might governments be considering to deal with the situation that I think has generally been recognized as not a conducive one in an era of greater labour market mobility. So just sort of a general question for how governments might, both federal and provincial, be looking at the potential development of that situation.

Another point I'd make and that is that it seems to me that in terms of assessing the credentials of whether people moving across provinces or indeed into Canada, assessing the paper credential, assessing the degree or the diploma is certainly one aspect of the process and we do have provincial credentials assessment agencies that do that but it seems to me another part of the process of assessing credentials is something that relates to assessing those aspects of experience or knowledge gained through simply working, that is, foreign experience. And I'm not sure yet that we fully addressed the question of the tools that we may want to use to address the non-paper aspects or the non-paper credentials aspects of the broader panoply of credentials that people bring. And I think we may have to pay some more attention to the kinds of tools we use, whether it's prior learning assessment kinds of tools or other kinds of tools to dealing with that kind of capacity of credentials recognition.

Moderator: There's a question over there. Yes, go ahead.

Jorge Garcia-Orgales (Representative, Research Department, United Steelworkers of America):

I've been listening to the conversation and it's kind of very close to home, as one of the newcomers in this country. I want to make a couple of points, in relation mainly to the different

categories of immigrants or newcomers. I came here as a refugee and I know that most of the people that come to this country are refugees or family class. When we listen to all this conversation about people coming in and the best and the brightest and high quality, I hope myself that I will be considered by all of you as high quality and best and brightest, but I know clearly that if I hadn't come into this country as a refugee I wouldn't be allowed here. I didn't have language. I didn't speak English or French when I came here. And even more interesting, if an employer interviewed me as a committed unionist in my own country, probably I wouldn't be hired. When you look at the package that I brought to this country it was not exactly the one that we hear about.

Today I speak the language. I'm learning my third language, trying to learn French in Quebec. I manage a very decent job, as does my spouse. We pay taxes. I work with computers all day long. My job is in the research department and I have to write essays, I have to research data, I have to do cost analysis. I learned the language here. I learned computers here. I learned everything here and what's even more interesting, without going to any school through the support of my employer.

Then I look around and I say, okay Jorge, if you listen to the proposal on labour market reform that you are hearing in this room, you wouldn't be here, and a lot of people like you who are good Canadians who do the right thing and are very proud of living here, wouldn't be in this country.

The second thing that kind of bothered me is the use of the word 'war,' because there is no one war. There are many wars out there and people like me get here because of the wars. When people get killed, when people get tortured, when people get put in jail and you combine that with somebody going to fight for who gets the best programmer, and you compare both things, the people like me have deeper feelings and concerns when you talk about war.

The third thing that I want to mention is more or less in the same line with Andrew. I'm not a visible minority but I'm an audible minority. If I walk into a room and don't open my mouth, I'm okay. Now as soon as I introduce myself as Jorge, then you get the George, you get this, you get all kind of things, but then you have to spend the next five minutes understanding that I have a lot of problems myself pronouncing many of your names. Then you go through a process of educating people on the sound of 'J' because they don't have it in French or in English. But then when Andrew's saying that there are two classes among newcomers, it's completely right. Most people that are coming from other countries end up in low paying jobs, service, part-time, several jobs, two partners working and barely making it. Then that's the picture that we need to address when we are thinking about the labour market. I understand that there are plenty of companies in this country that need well-trained people in different areas, but it's not just software. Most of the trades need people. We need bricklayers. In my neighbourhood in Toronto, a Portuguese neighbourhood, there is an incredible number of newcomers that are getting very, very well paid jobs because there are no bricklayers and they are coming from the Azores, getting unionized jobs, very well paid, but nobody's saying that we need bricklayers. There is not a war out there getting bricklayers.

And the last piece that I want to talk about is the reduction of EI. I think something that really impressed me when I came to this country was the welfare system and the EI system. I didn't enjoy either one of the two but I can see the potential if you need it. Then in the last while I see those things kind of evaporating. I can see it from the point of view of the person that loses his

job, and as in the case that was mentioned before, you get separated, you are a widow and you are a woman from another country. I suppose that everybody has some kind of neighbour who came from another country. If you have a neighbour who came from another country where they do not speak English or French, what you find is that probably the man in the family will get an opportunity to go learn the language and get a job and chances are that the woman of the family will end up cleaning houses, maybe doing sewing in some kind of textile company or something but she doesn't learn the language. She doesn't have a steady job and then she ends up, as it was said earlier, divorced, widowed, with no language, with no skills, with no EI or welfare to help her to build those skills.

I think there are two other labour market issues here that we need to address. One is that we need to welcome, invite and help all these newcomers to build and to grow with this country. Another concern that I hear is people that come that easily will leave easily. If you are treated with respect, if you are allowed to grow and you are allowed to raise your family, you don't leave and I can tell you, I hate the winter, I hate the language. I came just waiting for when I could go back home and now my grandson is Canadian. That picture I think is an important picture to keep in your head. But the other picture is one of the million people that are unemployed. Those people need the same as the new immigrants; with the proper encouragement and the proper support they can grow to be the workers that are needed in this country. Thank you.

Moderator: Okay, thank you very much. André, you had a comment I believe.

André Piché (Senior Policy Analyst, Canadian Federation of Independent Business):

Briefly. I really appreciated the presentation that we got this afternoon and in particular the recommendation from Alice. Being from the Canadian Federation of Independent Business (CFIB) I'm very much in favour of lower payroll taxes and also of making the proposed changes to the EI, but I would like to focus more on the immigration side. Just a couple of comments there. Howard talked about the delay in getting people processed and I was alarmed by the same sort of finding. I got my workers from the Auditor General. In 1999 apparently it took 25 months to bring a skilled worker into Canada on average, as opposed to 13 months in 1996. I think it reflects a problem and I'm not sure exactly what's behind it. I suspect some of it is resources but it's something that needs to be addressed and it's something that has to be more visible. We need more accountability on that front. I think we all need that.

Just a final comment that has to do with the issue of poaching and recruiting. Poaching is when people find our talent here and take it abroad and recruiting is when we do the opposite. It's a bit like an intelligence officer is our spy abroad and a spy here is a spy, right? That's it.

Moderator: Thank you. There was a question down there. Yes, go ahead.

Richard Johnston (President, Centennial College):

Sorry I'm late; I won't speak to the issues of the skilled trades because that's in the next session, but as the head of a college in Toronto I just wanted to talk to the good side of what's happening as well as the negative. There's a huge access problem still and I think that's been identified well. But if you look at the four major Toronto colleges, at that level a college like Centennial has 80 different languages spoken and George Brown, Seneca are very similar, Humber slightly

less but not that far off. And our ratio for successful placement of students six months afterwards, after graduation is almost identical to that of all the other colleges in the system. We're about a percentage point or two apart. But we're talking 91, 92 per cent, in that kind of range. So for those that get in, in spite of language issues that they have to overcome, it's amazing the success rates.

But there are two things I'd say. One is that the doors are still closed to a lot of people because there's no culturally sensitive PLA available. It's a huge need and the only place I know that's dealt with it is the First Nations Technical Institute in Tyendinaga and it's a model that should be borrowed and used throughout. And I think that's an enormous issue that we've got to try to deal with.

And the other is that for the applied institutes, whether they're community college or private enterprise operations, it seems to me we need some mechanism for counter cyclical funding. Our numbers always rise during those periods and yet we don't have the resources to be able to provide the additional support that people need and those that are most vulnerable that have already been identified tend to get the short shrift in terms of getting access to it. So whether that's through a more generous approach to EI or other kinds of methods, we need some means to recognize that those people are better off in an institution like that preparing for the upswing, whenever that takes place, rather than being unemployed and out of the picture. But across the country we've never found a method of dealing with that issue.

Moderator: Thank you very much. I'm going to give the speakers an opportunity at the end but first I wanted to make sure everyone had an opportunity to speak. Is there anyone who hasn't spoken yet who would like to have an opportunity? Yes?

Les Linklater (Acting Director, Strategic Policy, Planning and Research, Citizenship and Immigration):

To address some of the points that have been raised in terms of processing times, yes, they are longer. Program review 1997, 1998 was when we started to feel the full effects and you'll note that in the background information landings went down as a result of the reduction of overseas positions by 33 per cent. In terms of immigration as a tool in the skills agenda, I think it plays a key role and we've seen the various perspectives today. There are three objectives of the immigration program as were mentioned earlier. And we have to try and strike the balance between those three key objectives. And I think yes, there is a role to play in economic development. But also, we should not forget that there are very many people who come through other categories who do enter the labour force, who do have skills and assets that can contribute to our economic development and that the key for Citizenship and Immigration Canada, with partner departments and with the provinces and with the professions, is to develop strategies to be able to exploit those qualifications of the people who come through other categories and who are here already.

Moderator: Okay, thank you. Are there any other people who would like to express themselves? Yes?

Unidentified Male Speaker:

I'd like to make a couple of points about the temporary foreign worker program and some of the comments that were made about how it should be used to exploit workers. I totally agree, but only in the sense that while the comment was made that there's a war out there, it's not a war we're always going to win and so you've got to have a backup plan which is basically combining the entrance of temporary foreign workers into the high skilled type industries combined with some sort of an apprenticeship program to make sure that we've got Canadians coming up behind that can fill some of those jobs. We've entered into some sectoral agreements with the tool and die makers in Ontario, for example, whereby in the first year – and we've almost given them a *carte blanche* as far as the number of individuals they wish to bring in – they bring in one individual, one person goes into apprenticeship. The second year they bring in two individuals, or bring in one individual, and two people go into apprenticeship. The worldwide shortage of certain skills means that we're not going to win every war, so we've got to have backup plans, and the backup plan is the development of the Canadian labour force.

Moderator: Any other comments? Well I'd like to give the lead speakers an opportunity if they have any comments to make

Alice Nakamura:

Yes. I wanted to say first of all that I agree totally with what Howard said. I am not against immigration. I am very much in favour of us having short-term visas. I see that the United States and Australia turn around a tremendous number of short-term permits very quickly. I agree that it would be very helpful if we could do that. I'm also very aware of the huge cutbacks which CIC has sustained and how they really devastated their frontline workers, made it very difficult for them to keep up with the flow and I see the pressures within HRDC of people who are unemployed and saying well why are you letting others in while we don't have this, why are you giving training to these people who are coming in from outside who haven't paid taxes when, as was pointed out, for your worker who's mid-career and has lost his job and is not on unemployment insurance, they don't necessarily get any help or have anything they can access for anybody except for the fact that they don't have to pay the full cost of universities or colleges if they get in. So I do agree with that and I agree very much with the things that Wilma said.

In particular it seems to me that we'll be a long way ahead if we recognize that there really are two separate issues here. One is we have immigrants who have come in, some of them even who have software skills but cannot find a job. In the office that the faculty has got now for running the Internet service we have, we actually have a Russian immigrant who's recently arrived here with all sorts of software and statistical skills but no job offers. We're hoping she'll get one soon because we don't have any money to pay her. She's working as a volunteer and I feel very guilty about it. So what Wilma is saying is very real in terms of people who come here and they can't find work and at the same time I'm in a business faculty and I'm very aware that it's very real that we've got companies out there trying hard to bring in people and then encountering barriers like high taxes, greater administrative hurdles in terms of the visa turnaround, and then various other things which cause immigrants to choose somewhere else other than here. So I think that if we keep those two discussions separate and in the future if we have an immigration section we clearly identify them as different, even have different sessions on it, we would really be a long way ahead.

The very last thing I'd like to say, to pick up on what David Slater said, at the time that John Crow was pursuing his policies I had colleagues in monetary economics who argued passionately for both sides. It's very much easier with hindsight to see that it didn't work out well for us. But the fact of the matter is it didn't work out well for us and having higher taxes than much of the rest of the world didn't work out very well for us either so it seems to me that one of the real values of forums like this which HRDC is having now is that they allow people to openly express views of different sorts. That's the same thing which having our data available does.

If you go back to the remarks that were made about how we have these dream makers or dream seekers, dream sellers in the private and/or the public universities and colleges, the reality is we're all hostage to the fact that we don't know [tape change] 18 per cent response rate. So for all the concerns about privacy we have, at the same time individuals across this country have a need to know and they also in many cases have a need to have their own credentials validated.

If we go back to the case of new immigrants again, if you try being a person in this country who does not have your bank account with a pay cheque going into it from a regular employer, you find banks hold, even a certified cheque, for more than a week often before they will release that money. If you take the business of trying to get into anything, whether it's an education program at our university or almost anything else, you need to establish who you are. That means you have to be able to have validation of some sort. When we're talking about credentialization of immigrants what we're really talking about is that there's two sides of information and in many cases it's the individual themselves who needs to be able to provide information in a believable form and in other cases like what do we do with our skills programs, or our education programs, we need to know collectively. We need to know collectively what the outcomes are. So that's a place where HRDC has played a big role in leadership and data over time. Statistics Canada has a reputation that's well deserved for being a real leader within the world. I think that if we can go ahead with trying to get access to data in forms that do not cause problems for individuals, we'll be a long way ahead, and if we can have open discussions like this where people can simply say what they think works and doesn't work without it becoming politicized or called names, that also puts us a long way ahead.

Moderator: Thanks very much Alice. Paul, do you have any final comments? You'll pass. Okay, great. Well again we've been very efficient. We're 10 minutes early but I think we deserve a long break because we've been at it since 1:00. So we're going to break until 4:00 when we'll have our final session on apprenticeship. Thank you very much.

Session 4: Improving the Effectiveness of the Apprenticeship System

Moderator: Our final session is on improving the effectiveness of the apprenticeship system in Canada and I think this follows from our earlier session on immigration because often we've used immigrants as a source of skilled labour in Canada because we didn't have an adequate supply of them. So we have four lead speakers in this session and all of them are very, very knowledgeable about the apprenticeship system. We're particularly honoured that our first lead speaker is Ken Georgetti, who is President of the Canadian Labour Congress, and as you'll see from his bio, has had training as an apprentice in British Columbia. So he really has firsthand experience with Canada's apprenticeship system and I think his comments will be particularly *à propos* to the debate on apprenticeship. Ken, I'd like to turn it over to you.

LEAD SPEAKER

Ken Georgetti, President, Canadian Labour Congress

Thank you Andrew and thank you for inviting me. I guess our central message is that although I don't wish it – I don't think any of us wish it – we may not really be that far away from seeing the consequence of our collective failure to deal effectively and efficiently with the apprenticeship programs. The consequences I think will be seen in terms of lost opportunities. As we already know there's a need and a demand for skilled workers that will increase exponentially in the next few years and that current rates of enrollment and of completion in existing apprenticeship programs will not allow us to meet.

First of all, you have to be employed to be an apprentice. You can't be an apprentice without an employer. In other words, if we're serious about apprenticeship, you need a legal framework, a public policy framework or something that creates an obligation, let's say a duty for employers to take apprentices and see them through their training, from beginning to completion. Duty does not mean burden or public policy or legal framework. It means government involvement with political will and public funding.

Let me give you some facts and figures and comments. Enrollment in programs has shown a downward trend for over a decade. Only 10 per cent of those who enroll today actually complete their program and we have to ask why that is. First of all I think educators and school administrators and civil servants and others often channel the wrong people into these programs. The least academically gifted usually get referred; if you can't make it to university or college, maybe take an apprenticeship. And these apprenticeship programs demand qualifications, both academic as well as sound work habits.

The other problem that we see in the trends is that employers don't have to keep their apprentices. They often hire them when a short-term need arises and release them after one or two years. And newcomers in the programs we see are more likely to find placement in apprenticeships than displaced apprentices in their third or fourth year of training and we think that's because they probably cost more. As well, when the business cycle turns downward, employers always release their apprentices first. They have no legal, no educational, no social duty to keep them, nor any economic incentive, at least short term, to keep them on in their training programs.

In the building and construction trades today, the average age is over 48, almost 49. That means over the next decade there'll be a massive turnover in those fields and what's happening in the construction area is that apprenticeships are down 26 per cent just in the building trades since 1991. Apprenticeships are down 21 per cent in the electrical and electronic trades since 1991 in Canada. Apprenticeships are down not just because of industry cycles but because of actual government policies that throw obstacles and discourage employers and young people from taking apprenticeships. Tuition fees to vocational institutes have doubled in the last decade in Canada, even though there have been some exceptions or freezes in Quebec, in B.C., and to a lesser degree in Saskatchewan. That alone may explain why attendance at vocational institutes is down everywhere.

Devolution to the provinces in terms of responsibility for training makes it difficult, very difficult now, to keep standards, curricula and certifications across jurisdictions even and consistent. At least from our data and surveys, Canadians do expect their national government and parliament to make it easier for them to fill the demands that exist in the current job markets and to master the skills that we see will be in demand tomorrow.

Now I must say I know from statistics again that only 34 per cent of graduates from high school enter universities or colleges. The other 66 per cent don't and we see again among young people a pretty high unemployment rate. Working families view with alarming suspicion proposals for tax-exempt registered savings plans for education and training. First of all, only those with enough money will be able to afford training or higher education. But even before that, with the rate of unemployment among young people, where do they come up with the income of some sort to even consider training or higher education? What do we do with the large number of young people that are not even in the labour market? A registered training and saving plan is not something that they view as being positive for them.

I back the argument that we do have a savings plan that should be used for training, and it's called EI. There should be provisions for training leave in the employment insurance system. Apprentices use EI right now when they're at school in their vocational training and it's been that way for about 40 years. The federal government as well used to pay for the two-week waiting period out of general revenue for apprentices while they were in vocational school. They've discontinued that since the EI legislation came in and we hear from apprentices that this is very burdensome on them. Going two weeks without wages in order to learn an occupation is very difficult while you're trying to work and support a family and the rest. The EI system can be and should be for the purposes of training and granting those kinds of leave. I don't think we need another registered savings plan of sorts that somehow will be the panacea that will cure the notion of training.

A registered savings plan won't alleviate, for example, the current or expected shortages of qualified workers in nursing. We're told that we'll need 113,000 nurses over the next three years. Health sciences, technology, the building and construction trades, many government services, manufacturing and retail, are not going to be helped. Unemployment insurance, I must say candidly, is no help anymore in that regard. It should be, but it isn't. Our congress has called for and we participated in the Canadian Apprenticeship Forum. It's up and running but we need political will now to make it work.

Again, in terms of our information, in 1998 the OECD published standards and by international standards our country is doing well with regard to university and college level education. In fact we're in the top quartile in training. However, with regard to apprenticeship and other forms of organized, industrial based training, Canada does not compare well with other OECD countries. There's a general lack, I must say, of support for workplace training from employers. It's evident in their low level of participation. This is matched by a general public disinterest in trade and vocational training.

I can say anecdotally that in my current job, many times I fill out forms, and where it says post-secondary education, for the longest time I put 'none' until someone corrected me and said you do have post-secondary education, it's called apprenticeship. But it's not something parents want their children to aspire to because we've talked about this new economy and all this rhetoric about the so-called new economy. Training is almost always about university and college education and the so-called new economy is always the centre of attention and I notice that parents are inclined to encourage their children's aspirations to study at universities rather than to achieve a technical diploma or license. Therefore the normal economy, as I refer to it, which I might add still employs 70 to 75 per cent of Canadians, suffers and is ignored because that's not really an achievement anymore. So I think that we have a very strong and very good opportunity to collaborate, to work towards a new culture for training and skill building inside the Canadian economy that will put a lot of people into family supporting jobs that will be not only good for the economy but good for those people. Thank you.

LEAD SPEAKER

Robert Sweet, Professor, Faculty of Education, Lakehead University

Adjusting the Research Focus in Apprenticeships

Developing a more efficient labour market includes making improvements in the linkage between apprenticeship training and employment. A coherent, sustained research program can contribute to this effort. For several years we have defined our research agenda in relation to issues such as attrition, trade attachment, literacy levels, and the portability of qualifications. Analyses of these presenting problems have not lead to any very satisfactory result. If anything, the general condition of the various provincial apprenticeship systems has deteriorated. While no research program can produce a definitive set of policy prescriptions, one that asks different questions can offer an improved understanding of the linkage between training and work.

Recent policy documents such as British Columbia's ITAC Report "Ensuring a Skilled Workforce for British Columbia" indicate the complexities involved in preparing youth for vocational careers. This is particularly apparent in attempts to engage the interest and participation of youth in apprenticeships as they prepare to graduate from high school. Developing a different research agenda for the study of apprenticeships reflects the altered nature of school-to-work transitions. With fundamental changes in the labour market, occasioned by technological innovation and the reorganization of work, pathways to employment have become increasingly non-linear and unpredictable. This accentuates the level of ambiguity in a training system that has never made strong attempts to regulate or manage the transition process. Individuals are seen as agents in making training and career decisions that shape their futures. In

the words of Walter Heinz who has spent some years analyzing school-to-work pathways in various OECD countries, “youth are increasingly responsible for writing their own biographies.” This strongly developmental view frames and is fundamental to developing a list of research priorities that would improve our knowledge of factors that influence the passage to adulthood and the importance of meaningful work in that process.

1. Issues related to transition continuities/risks of adolescents and young adults

- How to define school/work transitions in relation to the *life-course*.
- How to make apprenticeships fit the *developmental imperatives* of adolescents and young adults.
- How to acknowledge the role of *families* in the educational and career *planning* of adolescents and young adults.
- How to make apprenticeship learning *attractive* to adolescents and young adults.

2. Apprenticeships in Canada lack research on:

- Public perceptions of vocational work and the value of ‘intermediate’ skills’;
- the conditions of ‘alternation’ learning at the worksite and in the (college) classroom;
- the characteristics of apprentices, that is, educational and work pathways, individual differences, social address, etc.;
- the distinctive features of the ‘emerging adult’ stage of socio-emotional development;
- the role of personal agency in the transition process from school to apprenticeship registration; and
- longitudinal and sufficiently comprehensive databases.

3. Comments

These research needs suggest examination of many topics. The following are only some of the more salient:

1. Transitions

Apprenticeships in Canada typically are described as ‘adult’ rather than ‘youth’ oriented training systems. The average age of entry is 26 or 27. Although there exist apprenticeship opportunities for high school students, they offer training in a very restricted set of trades and enroll few students. Canadian youth aged 18 to 25 are described in recent OECD documents as ‘milling around,’ aimlessly trying to gather work experience in a segment of the labour market that offers only contingent work and virtually no opportunities for career development. It is important to inform these descriptions with research based on developmental views that take into account the unique characteristics of this age group. Increasingly they are seen to possess characteristics that are neither adolescent nor adult. Termed the ‘emerging adult,’ young people in this age-range differ demographically, subjectively, and in terms of their identity explorations. As a basis for understanding the dynamics of school/work transitions, the emerging adult concept offers a potentially useful source of developmental principles.

2. Gender

Women have been strongly encouraged to participate in non-traditional trades. These attempts have met with little success and have tended to perpetuate the devaluing of traditional

occupational choices such as hairdressing. However, increasing numbers of apprenticed trades associated with emerging sectors such as aerospace, film, and tourism may be less sex-segregated and biased and therefore more attractive. These so-called ‘Knowledge-Based Service Industries’ also would make better use of young women’s established investment in education. Girls’ educational aspirations and participation has exceeded that of boys since the 1970’s, giving rise to considerable concern among educators as to the dysfunctional nature of ‘masculine’ attitudes towards learning and involvement in school. Research is needed on the socialization of vocational preferences among youth and the potential of new areas of apprenticed work to change established perceptions of ‘gender-appropriate’ employment.

3. Public Attitudes

Attitudes toward vocational training and work are decidedly negative in Canada. Recent surveys indicate that less than 7 per cent of Canadian parents would encourage their children to learn a trade. While there is a voluminous literature on school-based career counseling, we know relatively little about career planning within families. We are ignorant of the role played by parents in determining the career intentions of their children. We do know, however, that this process involves the transfer (or activation) of a wide range of social, cultural, and financial resources and is driven by attitudes, hopes, and aspirations that both reflect and shape public attitudes towards vocational work. These insights derive from the HRDC “Survey of Approaches to Educational Planning,” which is unique in its attempt to examine complex family influences on the development of school-age children’s academic and vocational interests. Support for (and expansion of) this kind of research initiative is essential.

4. Conditions of Learning

Combining both work and classroom learning experiences, apprenticeships are seen by many as the quintessential form of ‘alternation’ training. While the alternation concept is increasingly attractive to youth, as evidenced in the growth of work experience and co-op programs at all levels of the post-secondary system, traditional apprenticeships have, with few exceptions, failed to expand in any significant way. To some extent, this is due to a perception of apprenticeships as a form of employment rather than learning. Evidence from the “National Apprenticed Trades Survey” suggests that most journeypersons lack essential instructional skills. Equally problematic is the college curriculum that fails to offer apprentices either relevant or complementary knowledge. This suggests a basic curricular and instructional design problem. Yet the principles of situated learning are well known and could be applied to the development of applied curricula. Their application in the pedagogical training of journeypersons is even less well understood or managed.

Jobs increasingly are more complex and their execution less obvious. Understanding the principles on which a machine functions is more important than its operation. Simple observational learning models are inadequate to the task of instructing apprentices in complicated manufacturing, construction or service environments. There exists an appropriate literature on workplace learning but its application to flexible modes of delivery is lacking. The need for more flexible forms of delivery such as short, intensive modes of instruction, distance education, or on-line virtual classrooms requires a significant investment in research.

LEAD SPEAKER

Richard Johnston, President, Centennial College

I'll speak from the perspective of a college that has the largest number of apprentices in Ontario and is very concerned about the future of its own programs at a time when they're in desperate need. Also I'll speak as a person who used to represent a riding in that area, a working class riding which used to be an old Scottish/Irish skilled area and has changed to one where there's virtually none of that community left and none of their kids have gone into the trades.

I think that we brush over the issue of attitude too much. I really think we've got to look at it profoundly and very seriously. The problem of attitude is everywhere. It's with the schools because in the high schools you've got university-educated people who have no knowledge of the trades at all doing the guidance counselling. That includes teachers in general rather than even specific guidance counsellors. It's parents who, like the ones I was describing from my old riding, who don't want their kids to go through the trade, they want them all to go to university even if that's wrongheaded in the long run for a bunch of reasons. It's government.

There's such a crisis facing us in this next little while around apprenticeship, and getting governments to actually wake up and smell the coffee is a problem. It's very dangerous and I don't see the response frankly in Ontario or nationally that we really require here. And the other area of difficulty is the institutions themselves. My fellow institutions are all under financial difficulty as one might expect and one of the first places they look to cut is in apprenticeship. It doesn't have the status, even in a college, that it should have.

The issue is just pervasive, and I think it needs to be taken on frontally by every level, and discussion should include the finishing rate. The attitude of employers to apprenticeship has also been, I think, highly exploitative over time and has not valued the resource. So we've got this huge issue that nobody values. If I were looking at the relative importance of what we're facing at the moment, a skill shortage in lawyers or a skill shortage of mechanics, I tell you where I'd put my money right now. I want safe trucks, safe cars, and I don't really care who represents me in court. And unfortunately our society is geared in exactly the opposite direction.

The numbers are terrifying in terms of what we're about to face. Not only is the average age high, which has been said, but those people want out, you know? They want out at 55 or 60. Whatever they can do and no matter what we do in terms of changing retirement ages I think you're going to see a lot of the existing trades groups moving on and that's the reality.

But when I look at the graduates from my college, as I was saying to somebody just outside, it's ironic. We look at the amount of money people make as they leave. We have one high end IT program where the average is \$48,000 a year, which is pretty good for a starting salary. But the next highest level in our college is a modified apprenticeship plan that we have with General Motors where a student – two students – were hired at just under \$40,000 a year and had signing bonuses given to them after an apprenticeship plan. Get that message out to the college. I mean, you know what an ECE graduate gets these days? 20,000 bucks a year and little prospect of any change in that for any time going forward.

So I think we have to look at the reality of how we should value what's going on out there and find ways that some kind of contractual arrangement can be developed to help us see people

through. It's not that they fail going through colleges. They make it through that end of things with pretty good success rates from what I've seen. The problem is that there is no ownership of the responsibility for the apprentice after that to help them when there's an economic downturn. We need some mechanisms to help us deal with that.

There are ways of doing it that move us in a non-linear fashion. I think we have to look at modularization of the education elements, so that people can come in and out of the program. That way if there is a downturn, rather than somebody losing their place in that particular job, perhaps they can come back to the college to do some modularization of it to keep moving forward. We need much more flexibility I think if we're going to protect apprenticeship but the real question is the valuing.

The other thing is that our average apprentice age is 24 to 25 now. We have very few people coming out of the high schools. They have no infrastructure to support us anymore. All this talk about moving apprenticeship down to the high schools I think is laudable. We're doing some of that work in our area and it's got some promise, but the reality is they don't have the infrastructure in the auto side or the truck side. They can't afford the equipment quite frankly. I mean we just got a wonderful gift from Volvo: the engines alone are worth a quarter of a million dollars. You can't expect high schools to re-gear up again, not with the financial crunches they're in all around the province and you can't expect industry to put it back to that level, I don't think, effectively either.

But the complexity factor is one you can't leave out. As somebody put it the other day, the average car today has more electronics in it than the lunar landing module had. Trucks that we deal with such as Freightliner have seven computers in the cab, forgetting the ones that are under the hood. You are talking about a sophisticated requirement now and we shouldn't think there's an easy, fast-tracking solution on this. I hear suggestion to compress this down a lot. I'm not saying that we need to be as rigid as we've been. Maybe we have to look at some of the messages and lessons out of co-op that could help us be a little more flexible about how we deal with this but the skill level we're requiring is much higher. Every student who enters our apprenticeship programs has to have the same entrance level capacity as a student who enters our full post-secondary programs these days. The only exceptions are in some of the construction trades within the Ontario framework. I'm not sure how it works nationally at this stage.

Funding is another issue. We have a 97 percent seat occupancy at my college. It's the highest in the province and I lost \$500,000 last year. The pressure on me to close down my apprenticeship side of things right at the moment when I know we need to hold it and then gear up is enormous. Other elements of the college that are crying out for dollars are saying how can you afford to keep doing this? I'm training truck mechanics for instance and I get 24 weeks of pay from the province of Ontario for 32 weeks of training. I subsidize the last eight weeks. I can't afford to do that anymore. We haven't had a *per diem* change in seven years. Again, it's a statement of the valuing of this level of our education and it's really crucial that we try to deal with this.

Just a couple of other comments. We need to infuse business skills into what we're dealing with here. We always look at this as something where these were going to be employees and a large number of them may well be. But when I look at a large number of these trades, these students need to be able to go out and set themselves up in business and understand how to do that. Our trades training does not do enough of that to prepare them to run their own auto shop, or prepare somebody to be a plumber out there in the private sector if they want to go that route. They need

a lot more skills in that area over this next period of time and we hear back from our level and I think it's every level, that they need more generic skills such as communications skills to be able to deal with the public because more and more there's that interface. You can't hide behind the veneer of the sales folks and other people. You are interacting with the public at all times.

So I think that we've got an enormous issue here. I don't think you're going to make the transition to get the high schools to be generating more people quickly because you can't change attitudes that quickly. But we have no help, for instance, on the streaming issue of getting people who are not quite up on the math needed to be able to deal with some of the issues that we're talking about here, to be able to bridge into doing this program. We've tried to operate that on our own and had some great success, but again it's uneconomical from a college perspective.

The classes have to be too small, too intensive as a pre-apprenticeship launch for some folks but that is hugely needed. Going back to our discussions about immigrant populations, if you could do that with an infusion of good vocational language skills to help those individuals, I think you would also find a whole group of people who would be wanting to enter these fields, but we don't have any mechanism for dealing with that at this point.

So I guess my message is that I see a huge crisis coming for us very quickly and I don't see that we've have any expression so far, except maybe lately, of a will to deal with this and to state the value that this has for our society.

LEAD SPEAKER

Shirley Dul, Executive Director, Apprenticeship and Industry Training, Alberta Learning

Thanks. I have to agree with some of the comments that have been made so far, particularly as they relate to the perception of the trades as a viable career option and the cost of providing apprenticeship training. But I think there are varied experiences across Canada with apprenticeship. I have been asked to share the province of Alberta's experience. Currently we have well over 30,000 apprentices in our 55 trades and occupations. If we included the branches of trades where certification is available, we'd have close to 70 trades in Alberta. Growth since 1993 in apprenticeship has been over 40 per cent. There are several new trades and occupations in the past few years and some examples are metal building systems erector, warehousing technician, gas utility operator, construction craft labour and others. Also, the outdoor power equipment technician trade will come into effect April 1st of 2001. The Alberta Apprenticeship and Industry Training Board is currently looking at steel detailer as a new occupation. This has the support of becoming an occupation from the Canadian Institute of Steel Construction and the National Institute of Steel Detailing. We've also received from PSAC, which is the Petroleum Service Association of Canada, applications for more than 17 occupations in the oil and gas sector.

Alberta also has an active high school apprenticeship program called RAP, the Registered Apprenticeship Program. As of December 2000 we had close to 700 students active in that program who are currently in Grade 10, 11 and 12. In addition, we have close to 800 who have started in the high school apprenticeship program, graduated from high school and have continued on into full-time apprenticeship. The RAP program, which has been in effect since 1994, has had 154 grads that are now journey people.

Alberta trains a lot of apprentices and we have very strong industry support. In fact, if you look at the stats, while Alberta has 9 per cent of the Canadian population, we train almost 20 per cent of Canada's journey people. We do so through a strong industry system, the Apprenticeship and Industry Training Board, and provincial apprenticeship committees that by legislation in the province of Alberta set the standards for training and certification. We have between 500 and 600 industry members who participate on those committees. Membership is made up of employers and employees.

Government provides the administration and the colleges provide the technical training. And as we know, apprenticeship is 80 per cent on the job and 20 per cent technical training. Technical training is very important in the province of Alberta. We believe that the best journey person is someone who has a good combination of broad based on-the-job work experience and quality technical training. In the province of Alberta we'll run about 900 technical training classes in the coming year, which is up from about 850 last year.

The average age of a journeyperson in Alberta is 41.5. Our most common ages for starting an apprenticeship are 19, 20, 21, and 22, but the average is 27. With respect to average age, if you take two twenty year olds and one 50 year old, you have an average age of 30, but I am not sure that tells you anything about the people. Apprenticeship in Alberta and across Canada welcomes people at any age into the system.

We've tried to ensure that Alberta maintains a system that is relevant and has strong industry support. We want to continue to ensure that it's strong. Recently we engaged in a consultation process where the board and the department asked industry how they would like to see the system improved. Six recommendations came forward:

1. More options for training. While there was strong industry support for the 'block release' option, industry also wanted more options for technical training.
2. Improved financial support for apprentices.
3. Increased promotion of ways to start an apprenticeship and have prior learning recognized.
4. More training opportunities for youth.
5. Increased options for certification of workers.
6. Continued strong industry support for the advisory committees.

In Alberta we're finding that the hiring and training of apprentices by employers has only increased but we have also got more and varied employers who are involved. For example, the Construction Owners Association of Alberta, who are the main builders in Alberta's currently strong economy, have taken a real interest in apprenticeship. When they put tenders out for contracts, points are awarded for the number of apprentices that the contractor will be training. Initiatives such as this are very helpful in promoting apprenticeship within the province.

There are a number of other initiatives that have taken place. We have an industry/government partnership with Careers: The Next Generation. This is a Foundation who has individuals, mainly from industry, who go out and talk to high school students about the value of a career in the trades. They also work with employers to encourage them to take on high school apprentices.

We also have a new scholarship called the Registered Apprenticeship Scholarship. There are fifty \$1,000 scholarships for high school students who start their apprenticeship in high school and continue on into the regular apprenticeship system. The industry also raised \$340,000 to develop a CD-ROM called TradeUp. This CD-ROM promotes the construction trades to high school students. It has won an award.

To keep in tune with what's happening, we do a survey annually to determine the industry's satisfaction with the system and their recommendations for improvement. One year the survey goes to apprentices, the next year to employers. We use the information gained for system improvement.

I wanted to address the four questions that came to us in our package.

Does the current low completion rate for apprenticeship programs in Canada (9.3 percent of total registration in 1998) represent a problem, and if so what measures should be taken (e.g. gradual licensing and training modules)?

In Alberta our data shows the completion rate, that is, first year apprentice completers who go on to complete all of their program requirements within two years of the earliest possible completion date, is 73 to 74 per cent. Now this methodology is consistent with the methodology that most colleges and technical institutes use, at least in Alberta, to calculate completion rates. However, if we looked at instead the total number of starts and when they should complete, then Alberta's completion rate is someplace between 50 and 60 per cent. For example, if I look at 1994, 7,264 new apprentices started. In 1998 we had 4,200 graduates. That's in the earliest possible time. If we gave them a little bit more time of course the completion rate is higher. I don't understand the methodology that was used to gain the figures that were provided to us here. I've also checked with my colleagues across Canada and I don't think that 10 per cent is correct. I think that's an important point.

Does the fact that only around one half of persons who complete apprenticeship programs obtain a Red Seal pose a problem for the national mobility of skilled tradespersons?

One of the questions here was respecting mobility. If you exclude Quebec, the number of people obtaining their Red Seal is increasing. In 1995, the number of people obtaining their Red Seal was 48 per cent, in 1999, 66 per cent, an almost 20 percentage point increase, and it continues to increase annually.

Should attempts be made to expand the apprenticeship model beyond its traditional occupations and to new occupations?

I would say absolutely. And in some provinces there is some success there. If I go outside of our province there are new occupations called pork production technician, custom harvester, electronics assembler, plastic moulding machine setter and operator as well as others that have been designated in the last couple of years.

Is the low participation of women in apprenticeship programs a concern and if so what measures can be taken to address this issue?

I'd agree that it is a problem. All initiatives seem to have had limited success. I would suggest that maybe we need to look at some other occupations that want to attract non-traditional

participants, perhaps even with the opposite issue. We need to look at their successes and maybe we can learn from them. The nurses have not been able to attract the opposite gender as well but I think there may be things we could learn from the engineering field.

If I were to look at the challenges facing apprenticeship, I would say that the perception of the trades as a viable career option is a major issue, particularly when we've got competition in the labour market with a severe shortage of nurses, teachers and IT people as well shortages in many other occupations. We don't make it very easy, as my colleague indicated, with respect to trades and vocational training in high schools. Funding has decreased for shops and there's limited opportunity for youth to even get a taste of what a trade might look like.

Another inhibiting factor is the cost of entering some of the trades and occupations. For example, if you want to be heavy equipment technician, in your first and second year when you're making a very limited income, the cost that you have to bear in purchasing tools is around \$8,000. That is quite challenging for many young people.

We have the issue of how parents perceive the trades and occupations as a career for their child. Governor John McKernan from the U.S. published a book called *Making the Grade*. One of the things that I found interesting was that he said we would never change parents' perceptions of the value of a career in the trades for their son or daughter until there is career laddering. It is important that a parent can see that if you have your journey person's certificate, that you will be given credit towards other college and university education. My research on that issue with the young people in our province tells me that there is certainly some merit to that concern.

My last point is that we need good data and I'm not sure that we've got good data on what's happening with apprenticeship across Canada. I think there is a very varied experience, depending on the amount of support that industry has provided and government has provided.

PARTICIPANTS' DISCUSSION: SESSION 4

Moderator: Okay, thank you very much Shirley. I think the presentations really underline the fact that we really can't talk about a national apprenticeship system in Canada. It's under provincial jurisdiction and the state of apprenticeship varies greatly by province. I think we've seen the contrast between Alberta where the system appears to be working quite well and Ontario where there appear to be more problems.

I just want to give some clarification on the numbers that Shirley referred to. Those numbers were put together by the Centre for the Study of Living Standards and they reflect Statistics Canada's database on apprenticeship, and they receive their data from the provincial apprenticeship directors. So it's administrative data and the completion rate it's not a cohort analysis tracking people over time. It's just the ratio of the total number of people registered in an apprenticeship program compared to the percentage that graduate every year. And that's why we compare that with other forms of post-secondary education such as community colleges and universities. For example, if an apprenticeship program were three years and everyone completed in three years you'd expect based on this methodology a completion rate of 33 per cent and that's what you have approximately in the community colleges and universities. But in the apprenticeship program it's much, much lower. It's around 10 per cent nationally and in certain provinces I'm sure it's much higher, like in Alberta, but one could argue still, when you look at the number of people completing apprenticeships every year I think the number is around 18,000 or so, they're in your binder, and then compared to the number of people that are registered in apprenticeship, which is around 180,000 or so, there's very few that actually complete every year in terms of the official numbers. Now maybe there's something wrong with those numbers and if there is we should be looking at the numbers that Statistics Canada releases on that issue.

Enough said by me. Let's get on to some discussions. Who would like to start the discussion? Yes?

Denis Goulet (Coordonnateur du Comité Interfédéral du Sector Privé, Confédération des Syndicats Nationaux):

La CSN qui regroupe au Québec environ 225,000 membres. Je voudrais parler pas nécessairement des systèmes d'apprentissage mais plus de la formation continue. S'il y a un certain lien à mon avis qui peut être fait là par rapport à la formation continue.

Vous savez probablement qu'en 1995 il y a eu l'adoption au Québec de la loi sur le développement de la main d'oeuvre, la formation du développement de la main d'oeuvre qui obligeait les employeurs avec un certain plancher, de 100,000 dollars de masse salariale et plus je crois bien, qui obligeait les employeurs à investir 1 per cent de cette masse salariale – de la masse salariale dans la formation.

Nous avons à la CSN fait une enquête auprès de nos syndicats pour savoir quels étaient les résultats, qu'est-ce que ça avait changé dans la vie de nos membres de nos syndicats, cette loi-là, qu'on appelle du 1 per cent. Et nos syndicats nous ont dit que généralement – bien sûr là c'est pas toujours égal, il y a des exceptions, mais généralement dans l'application de la formation du développement de la main d'oeuvre dans les entreprises, les employeurs plus souvent qu'autrement agissent seuls, non pas avec les syndicats et non pas avec les employés. Ce

sont les employeurs qui déterminent les programmes, qui déterminent leurs besoins et qui vont de l'avant avec pour investir dans la formation.

On a aussi découvert que pour les officiers des syndicats qui ont répondu aux enquêtes que chez 30 per cent des syndicats, des entreprises, la majorité des membres des syndicats avaient des réticences à la formation, avaient des craintes par rapport à la formation continue, par rapport à la formation professionnelle dans les entreprises. Alors ça nous a pas mal ébranlé et on a décidé suite à ça de faire un colloque sur la formation continue de deux jours à l'automne dernier.

Dans ce colloque-là on avait invité monsieur Paul Bélanger qui est un professeur de l'Université du Québec à Montréal, qui est en train de faire une chaire, de créer une chaire sur la formation continue et monsieur Bélanger nous parlait justement des chiffres de l'OCDE qui monsieur Georgetti nous a parlé tantôt qui disaient que la position du Canada généralement dans la formation continue n'est pas très luisante par rapport aux autres pays de l'OCDE et particulièrement également la position du Québec par rapport à l'ensemble des provinces, où on n'a pas une position très reluisante.

Et monsieur Bélanger faisait ressortir dans sa conférence que d'après lui un des problèmes de – mettons pour solutionner ce déficit-là de la formation continue était de favoriser l'expression des besoins chez la population travaillante et c'était ça le problème. C'est à dire qu'on faisait – dans les entreprises on pouvait faire des programmes de formation mais ces programmes-là répondaient davantage aux besoins propres des employeurs sans tenir compte nécessairement des aspirations des travailleurs ou des besoins des travailleurs et auxquels cas plus souvent qu'autrement il n'y avait pas de relation qui pouvait se faire et on manquait notre coup.

Alors donc suite à ça on a, mettons arrivé sur les conclusions du colloque pour tenter de tout mettre en oeuvre à la CSN pour faire en sorte que ces besoins-là des travailleurs puissent s'exprimer et on pense qu'en favorisant l'émergence de comité de paritat, de partenariat entre les employeurs et les syndicats, où on pourrait mettre en oeuvre des conditions plus propices pour que ces besoins-là s'expriment. Donc en même temps les besoins des employeurs qui existent et en même temps si on peut coller à ça les besoins des travailleurs pour faire augmenter en même temps l'employabilité des travailleurs et en même temps la productivité on pense qu'on pourrait arriver à faire émerger une meilleure culture de formation continue dans les entreprises au Québec.

Deuxième point, pas tout à fait au niveau de l'apprentissage mais qui est fort préoccupant pour nous au Québec, qu'on en a parlé hier et je crois bien aussi aujourd'hui mais surtout hier au niveau du vieillissement de la population, du vieillissement de la main d'oeuvre travaillante là. Ça nous inquiète beaucoup parce que d'ici les prochaines années, et je crois que c'est la même chose ailleurs dans tout le Canada que d'ici les prochaines années près de la moitié des travailleurs, des travailleuses vont partir à la retraite et ça va créer un déficit, à notre avis là au moment où on est, un déficit au niveau de la main d'oeuvre. Et donc on essaie de travailler actuellement à établir avec nos fédérations syndicales et nos syndicats, développer des politiques de gestion, on appelle des politiques de gestion prévisionnelle de la main d'oeuvre qui pourrait être discutée avec les employeurs. C'est à dire essayer de voir aujourd'hui, faire le portrait des entreprises pour voir comment se présente l'avenir, comment ça va se passer, qui s'en va, comment je vais faire pour les remplacer et surtout comment je vais faire parce que c'est pas tout de remplacer par des gens, des jeunes qui proviennent des milieux d'éducation mais comment je

vais faire pour que la culture de l'entreprise se passe d'une personne à l'autre, d'un travailleur à l'autre.

Alors on va essayer de jouer avec différentes – je termine là-dessus, avec différentes notions comme des retraites progressives qui existent au Québec. Il y a des modifications à la loi sur le régime des rentes qui permet des conditions allégeantes aux gens soit de partir plus tôt à la retraite ou soit de partir plus tard avec des meilleures conditions, soit en jouant avec une réduction du temps de travail qui pourrait faire que des gens mettons au lieu de partir maintenant pourraient rester au travail à demi mettons et ainsi pouvoir faire communiquer leur savoir aux autres qui arrivent et bon puis évidemment il y a des notions de réorganisation du travail qui sont sous-jacentes à ça pour faire en sorte que la passation du savoir puisse se faire correctement.

Moderator: Merci pour votre intervention. Other interventions? Yes, Paul.

Paul Swinwood (Executive Director, Software Human Resources Council):

I'm here representing the educational systems of Canada. In my personal view, and it's the reason I was particularly interested in this session, increasing the effectiveness of the apprenticeship system is probably the most interesting means, the most interesting strategy available to us now to increase the viability of our labour market strategies. But I'm a little bit disconcerted by some of the figures that I've heard. They're very compelling arguments and issues but I've heard that there's variability in completion rates which I knew already was the case no matter how they're computed, that there is a lack of industry support generally in many of the provinces and there's a failure of the educational systems I think to create the kinds of public perceptions amongst both students and parents that would be necessary.

But my question of the speakers is this: given the tremendous difference in performance among the provinces in Canada and the devolution – and we've seen the stellar performance of Alberta, but I would regard that as exceptional in Canada at the moment – are the best strategies that the speakers could tell us about likely to be provincial only or are there national strategies given the kinds of compelling issues, Mr. Georgetti, for example, that you mentioned that you would see would be possible in Canada?

Moderator: A very relevant question. Jim.

Jim Lahey (Associate Deputy Minister, HRDC):

In a sense I'm repeating what Paul said but adding a couple of things. I want to ask three questions. First one is on the premise that Alberta's setting a very high standard of performance in this area, and a lot of evidence was presented to support that view. Why is that? Why are you special? I'm teasing, but what forces or circumstances came together to bring you where you are? The second thing is if it's the case, and I believe it probably is, that in many industries from the auto industry, the construction industry, other industries, you know, we're five to not very many more years away from sort of half the people disappearing, why aren't the employers screaming? Or are they so sort of shortsighted that they're imagining that magically the people will appear? Or maybe they are screaming but not loudly. And thirdly, and this is where I'm picking up from Paul, it's clear that apprenticeship is in the provincial domain, they run the systems and so on and there's a lot of resistance on the one hand to federal, what can I say, meddling, tinkering, interference, whatever, that's as opposed to federal leadership of course.

But on the other hand there is sort of an opinion in some areas that feds should get on their horses and ride over the crest like the cavalry and somehow or other save the day, although some places don't need to be saved. But to be less facetious, can the speakers be more precise about what role you think the federal government ought to play in assisting or encouraging or complementing, whatever, employers and the provinces in dealing with this crisis.

Moderator: Shirley, would you like to respond to the Alberta success?

Shirley Dul:

First I'd like to say that I work a lot with my colleagues across Canada and I'm not sure the picture is quite as bleak as it's been painted in other provinces as well. Alberta has always enjoyed strong industry support, I think because the legislation gives industry the control. The act itself says that the industry, through the Apprenticeship and Industry Training Board and through the groups that advise them, which are the provincial apprenticeship committees, will set the standards for training and certification. We have a system that's well-managed by industry. They have level exams. They tell the institutions what it is that they would like to have in the training and then at the end of each training program, each period or block of training, the industry is able to determine what the apprentices know by the level exams. And I know that when one group of people moves their apprentices from one place to another place and are now trained in Alberta, that was some of the things that they said, it was the industry control and the level exams that made a big difference to them. And I think as well that the provincial government has always been a strong supporter of industry and so when the federal government withdrew from funding apprenticeship, it didn't cause a crisis in Alberta because Alberta had always funded it themselves and so I think that that wasn't as big an issue. That's one point.

I wanted to respond to your other two parts though, on what role the federal government should play. There are some areas there, and I brought up one and that was the tax for tools. There are many industries that have come forward to the federal government and discussed tools, most recently, as in the last year, the Motor Vehicle Dealers Association from across Canada, that's one. Another, that I know the employer group and probably the Canadian Construction Association would raise, is EI support, and when the two week training allowance was discontinued that did have an impact across Canada on apprentices being able to attend technical training. A recent survey done in Alberta says that although there's a two-week waiting period and apprentices should be able to get their cheques a week or so after that, that in fact it's five and six and seven and eight weeks before apprentices actually get their cheques and that's really affecting across Canada the ability of apprentices to take technical training.

Moderator: Thank you very much. Ken, did you want to –

Ken Georgetti:

Not to speak for Alberta, but the fact that Alberta's enjoying a very strong economy right now might be one of the reasons why you have so many apprentices as well. I can remember when tradesmen used to come from Alberta to British Columbia when the forest industry was booming too. Let's face it, apprentices are based on the strength of the economy and really, we only train when there's a need to train and we don't train in a proactive sense. In the university system we do and in the college system we do but in the apprenticeship system we train usually when there's a crisis and then all of a sudden immigration becomes the issue and the rest of it and by

the time we finish training them the cycle's over and we're laying them off. And the reason why I think apprenticeship rates, that is, the rate of graduation, is so low is it's based on the performance of the industry. If they're laying off you're not graduating apprentices because you don't just lose your training, you lose your job too.

I think the federal government can play a very strong role in a couple of ways and you mentioned that one is with the EI funding and training. But I think the federal government still has to maintain a set of standards because portability in apprenticeship and your certification is very important. I have that Red Seal and that means any employer across the country knows that I have the basic skill sets and I do get worried, I must say, when industry alone sets the standards for apprenticeship training because they'll set the standards just for their industry and train very tightly, and you'll become, as almost happened in British Columbia, a forest industry millwright rather than general millwright because they train you for just the skills that they need for the industry itself.

But I think the federal government can play a strong role in terms of standards, but they can play that role and have the influence because they have the funding. And I agree that the EI funding system should be modified to allow for a draw from that fund for the purpose of training, for the purpose of training to a set of standards and goals that the Canadian government would set across the country. I think it would be a heck of a fine incentive, better than some RRSP type training tax scheme. It's there. I would frankly like to see that money used. It's paid in equal portions. I'd rather see that money used to help train the idle workforce than to give capital gains exemptions frankly.

Moderator: Yes, go ahead, Richard.

Richard Johnston:

Ontario has a very special relationship with the federal government around training of course, and I'll let Bruce speak to that, but besides that, there is growth in apprenticeship in Ontario because the economy has been strong. I mean the stats are in the binder, they look not bad. But they don't touch on what's coming, that's my point. And the planning for what's coming, it seems, isn't being taken on with the urgency that is required, and I concur with the kinds of things that the government could be doing federally. I also think that options around distributed learning for distance learning options is a very expensive thing. We do it at our college and we lose a packet on it because it costs us so much to produce the content in that kind of a medium. Help in that way would be very useful for making things more flexible so if people are moving around the country before they complete various aspects of their education they could also be able to do it at a distance and it would be something where I think the provinces would be probably quite anxious [tape change]. . .

Bruce Baldwin (Director, Ontario Ministry of Training, Colleges and Universities):

. . . address some of the issues about what's going on in Ontario. We are in the middle of a major overhaul of our apprenticeship system, have brought in new legislation, the first legislative changes for about 35, 36 years. I would say we are working our way through the policy and some of the policy issues. We still have a number of administrative and funding challenges ahead of us and Richard certainly spoke quite directly on some of those. It's not feasible to talk about a sustainable system if the major providers of training in that system are losing money in

it, certainly a point that he has shared with us in more private sessions. He's usually a little more direct on the point. And then we have public commitments to double the size of the system, looking at new registrants as the prime sort of measure of doubling the system, recognize that there are serious issues about completions and it is a very difficult and complicated problem. Clearly the economy is a major determinant in terms of how people and when people finish the system.

I think Shirley was making some points in that the numbers are kind of difficult to get a handle on whether people who are laid off do end up finishing but maybe over a little bit longer than they otherwise might have taken and I think the nature of the employment aspect of the training system is a complicating factor and certainly we've seen in Windsor in the last little bit as a result of layoffs at Chrysler a major issue in terms of apprentices, as set out in the collective agreements, who are losing their positions as a result of those layoffs. We have sat down with the college and with HRDC to try to work out some strategies so that the training that has been invested in those people was not lost as a result of the layoffs and I think we're making some progress on that front. But across the board, given again the role of employment in the training process, we need to do a better job in devising and implementing strategies to retain apprentices. Increased modularization – thank you, can't do it if you can't say it – is a key piece so that we can measure an apprentice's progress through the system and capture that process. We need to do more in terms of monitoring and counselling, both with the employers and the apprentices as they're moving through the system. That kind of monitoring will remind and encourage employers to send their apprentices off for the in-school training. That has to happen in order for the progress to take place, so again we're not losing the progress that people make.

We need to find strategies to deal with laid off apprentices. We had a number during the last downturn where we used local apprenticeship committees to sort of form a virtual employer so that a number of firms in a community could take some ownership for the apprentice during a period of layoff and keep the system working that way and I think it's a big challenge, and I think there are a number of ways we need to move that forward.

The attitudes, I mean everybody's talked about it, it is a huge issue I think and drives a lot of decisions, parents, kids, counsellors and probably, you know, drives or makes decisions within government a little more difficult as well. That is part of the cell that we need to work our way through in terms of government. We have introduced the Ontario Youth Apprenticeship Program and are continuing to expand that program which allows high school students a way to start to prepare for entering into apprenticeship and there has been a pretty good take-up on that. It is still a fairly small piece of the overall puzzle but it is something that I think we need to grow and the capacity of the school system to support it, not just in terms of their infrastructure but to have people in place who can make the arrangements I think is a bit of an issue as well.

Employers, I think, are aware of the numbers and they do know who is expecting to retire. They may be screaming. They're not all necessarily screaming with their pocketbooks and making the investments necessary to pull through. In terms of apprenticeship part of the challenge on our side is to make sure that the system is more flexible, we have more ways of making it attractive to employers, that's a key piece.

Apprenticeship training didn't devolve as part of LMDA. Apprenticeship training has been a provincial responsibility for some time. Those mechanisms to provide for mobility, including Red Seal, are primarily arrangements across provinces to coordinate standards. The federal

government is a supporter of the initiative, that it is a way of coordinating provincial standards rather than setting national standards.

One additional piece that might be helpful from the federal government would be to take a look at rules that make training benefits provided under EI taxable benefits, and certainly that is a disincentive for training and a bit of a harsh treatment for people who have paid into the system.

And I think, finally, looking at distance learning is a big piece. It's part of the overall flexibility. The way the system works now, if apprentices go off on what's called block release, where they're gone for a big chunk of time for their in-school training, that's generally paid for through the EI system. That's how about half of the number of apprentices in Ontario are currently paid, or maybe a little bit less than half. We are pushing that number down because we know employers and apprentices don't necessarily just want to go off for block periods of training, because day release and other ways of acquiring your in-school training work better, and even though we pick up the tab for that side of it, it is a piece that we encourage and promote. The thing around distance learning, a final point is we need to figure out a new way of funding distance learning because the process is very different. I think, as Richard said, the cost is not all up front but mostly up front. You have big investments in developing the curriculum and applying it to the new technologies, but maybe a little bit less in ongoing administrative and lecturing costs. I think we need to think about how the funding for that kind of learning takes place. Thanks.

Unidentified Female Speaker:

Thank you. I have a question for Richard Johnston. You mentioned that pre-apprenticeship training was a major area of unmet need. Clearly it's something that not one organization on its own can address. You talked about the problems with respect to both funding and economies of scale for example for your college to be able to work on that problem. And I think today we've been talking about a number of new structures or new infrastructure to be able to address needs in the changing labour market and I'm wondering what kind of new structure might be required to address that particular need because it seems to me you're really looking at something that probably doesn't exist right now and may require the involvement of many different players and support in many different ways that we haven't thought about yet.

Richard Johnston:

I think it is hard to do from an institutional base. The situation is probably different in different parts of the country and for different groups. The strategy probably for trying to get more aboriginal people into the trades would be different than what we would be facing in Toronto, although the deficit of academic capacity would be similar to some of the issues you're running into in terms of immigrant populations for language reasons. In Toronto I would think it would be good if organizations like COSTI and other immigrant settlement kind of groups were working with colleges, unions and employers to come up with some means of dealing with this but we would need some kind of a funding recognition for it. There just isn't any at this stage. The soapbox I get on a lot is the next challenges for my level of post-secondary are not the high skills areas. We can add post-diploma programs to attract university graduates to colleges without any trouble at all, and get huge donations for government. Our problem is that in the next 15 years or so about 25 per cent more of the population is going to need to have post-secondary education of some kind and I include apprenticeship in that. And that bridge, for that

group to make it successfully into post-secondary, is going to be much tougher than the bridge we had with the move from 15 per cent during the mid 1960s to the 40 per cent approximately we have now. So that challenge no one's dealing with, I don't think, effectively in public policy terms and it fits in this area. How do you actually develop those kinds of groups to come together to provide those resources? But maybe because it can't be done by existing institutions alone it does allow the federal government to get involved without it being seen to be intruding which is always the big issue as you look at these things. So if there can be some kind of enabling process to help us get ourselves together as groups to problem solve this, it would be very helpful.

Unidentified Female Speaker:

That's quite what I had in mind. Thank you.

Moderator: Bert has a question.

Bert Pereboom (Research Coordinator, Expert Panel on Skills and Peartree Consulting):

I wanted to ask about the validity of looking at the completion rate as sort of an indicator of the health of the apprenticeship system. If I look at the percentages there, it actually looks like the percentage of completions rises during recessions and falls during peaks. And I'm wondering if that doesn't indicate that people are acquiring skills they need through apprenticeship programs but not finishing the actual requirements for the apprenticeship. That suggests to me that maybe the system is quite healthy in conveying the skills that people need to do these jobs but it's not particularly healthy in getting people to stay on for that certificate. I have some sympathy because I'm somebody who never finished that Ph.D. But still I'm working as an economist. And don't people who take these apprenticeship programs still work say as a bricklayer or you know, a millwright or a carpenter or whatever? They're still using their skills on the job but haven't necessarily achieved that certificate. Then the question becomes, is the level of skill required by business meeting the need or meeting the standard that's required for the certification.

Moderator: Does anyone want to comment on that? Is the apprenticeship training still useful if one doesn't complete the program? One still acquires many skills during the apprenticeship. Anyone want to – Richard?

Richard Johnston:

I'll give it a shot. I think you do see that phenomenon and you see it with college programs. In good times people leave, don't get their diploma and their job and move on. But my guess is it's an issue of data again and we really do need to look at what kind of research basis we're working from here. My sense is that people actually leave the job and that part of apprenticeship during the bad time but they're not locked off the lists at that point. But then they find work in some other field and in the good time they just stay in that area. I mean that's anecdotal, that's not statistical, but I think that that phenomenon is as large as the other is my instinct. But I think we need to know that kind of information. When we look at success in the college, if a student doesn't get their diploma but they're employed by that firm, we consider that a success. Our key performance indicators that the government asks for don't, but that's another matter. We know they'll come back and complete it at some point or other to get their ticket, in that term, but they

are successful. But I've got a feeling that the data would probably bear out that a lot of it is lost to jobs.

Moderator: Any other comments on that issue? Bruce?

Bruce Baldwin:

My understanding too is in non-compulsory trades where you don't need the certificate in order to practice that's a much more common phenomenon and that there is a relatively successful outcome and I don't know how we quantify that but where people will go through a couple of years and either move on or continue to work at that level without continuing through the formal process. So I think there is more leakage for the non-compulsory trades.

Unidentified Male Speaker:

I think the question of Bert's in a way for me is relatively simple. Through my experience talking with people in the workplace, when workers learn something they use it. Maybe they don't have a completion, maybe they don't have a certificate, but they use it. I don't know numbers, I cannot measure, but for me it's kind of even a non-question. If somebody takes two years of apprenticeship, whatever they learn they will use it.

But the point I want to make is sharing with you a story about attitude and the federal government possibilities to intervene in the issue of apprenticeship and attitude. And this is about training centres, union training centres in Vancouver. United Food and Commercial Workers Local 2000 (UFCW) has a training centre in New Westminster that is supported partially by employer contribution and partially by HRDC EI and they have a program that is called Discovery to Apprenticeship. What they do there is they have an agreement with the training centre of the construction trades, and like in many other provinces the construction trades have training centres, a joint training centre run by the employers and the unions and what they have is a group of young people, unemployed young people. They used to have large numbers for six months. Now with the reduction of EI they have small numbers for three months. But what they have is the UFCW training centre providing a two-week or a four-week classroom training on three years of learning, labour market, and returning to learn and after that the young people will go for two weeks at a time to different training centres of union training centres. They will go two weeks for the carpenter schools, then they will go two weeks to the painter schools and they will go two weeks to the plumber schools and during this two weeks they have kind of a very short version of what the apprenticeship program will be. And during that time they learn what the job is and if they like it or they don't like it. They learn what they need to learn. And they learn how much money they will be making. And let me tell you when you learn how much money some of these unionized construction jobs pay your attitude change relatively quickly. Then this system in which they run sometimes 30 people at a time, sometimes 15 people at a time, never have more than one or two participants that do not enroll after in one of the training schools. 95 per cent of the participants go back to one of the schools that they tried in which they discovered a job that they felt attracted to, that they liked. There is an example in which you have a way to deal with attitudes and a way in which the federal government could help young people, and I'm sure that if you do it with young people you can do it with people middle age or whatever. But this is a way of dealing with inviting people to go back to work in the trades.

The second point I want to make is the issue of distance learning for apprenticeship. I think you have to be very careful with that because an apprenticeship is something that's very important in the mentoring, the sharing, the learning through other people and you do that in the workplace when you are learning with somebody else but you also do that when you are in the classroom because you are sharing with other apprentices that are going to another workplace and are doing something else. You are learning with whoever is teaching you to have experience in the trade. Then there is this aspect of social learning that a computer cannot replace. And it's true, it's very efficient and when you have it set up at the beginning it's quite expensive but when you have it set up it's great, anybody, anytime, any moment can go to the computer and do whatever. But there is the social relation in the apprenticeship especially and I think it is the same with distance learning and many other aspects of the location of knowledge. But in the apprenticeship in particular, mentorship and social interaction is the essential part of the learning. I will say that with distance learning for apprenticeship I would be very careful how we approach it.

Moderator: Thank you very much. André, you had a comment.

André Piché (Senior Policy Analyst, Canadian Federation of Independent Business):

Just two brief comments and they relate to Jim's questions. His last question was about the role the federal government could play and one that was mentioned by Shirley before was the tax on tools. There is a private member's bill right now in front of parliament on this subject and we will support it and we'll be strongly behind it.

The second point is about the role that the federal government could play perhaps in promoting an informed debate on what needs to be done in the area of apprenticeship, and that's based, in my view, on what we can expect in terms of the Canadian population getting older. We all know it's coming and I think we need to have more understanding of what it means. And I think that would be very useful to all of us because we can then have more of a dialogue with the provinces and try to perhaps get some things done.

Moderator: Thank you. Are there any more comments or questions? Are we running out of steam on this issue? Okay, that's great. Well again we're about three minutes before 5:30.

Closing Session

RAPPORTEUR: Arthur Kroeger

Moderator: Now one person has been sitting here all day and taking copious notes and not speaking very much and this is because he's now going to have an opportunity to provide a synthesis, a summary as the rapporteur of this session. Many of you will know Arthur Kroeger. He's extremely well qualified for this job. He served as deputy minister of many departments including the old Employment and Immigration. He also facilitated a major consultation process in the early 1990s on labour force development strategy so he has many years of experience in here. So I'm going to now turn the floor over to Arthur and he will give his comments on the day. Arthur?

Arthur Kroeger:

Thank you Andrew. I think I should begin with the Old Testament reassurance that, "he who shall endure to the end, shall be saved."

Last night the Minister, I thought, put on a bit of a *tour de force*. Without any notes in front of her at all she spoke for 20, 25 minutes, a very wide-ranging speech. We all saw the impact it had on the Globe and Mail and indeed on some other newspapers. She talked about a national skills agenda and the need for a consensus about it. She talked about literacy, attention to those at the low end of the scale in the labour force, new approaches, for example the self-sufficiency projects in New Brunswick and British Columbia and the desire of the government now to expand those elsewhere, the prospect of skill shortages which was the grabber in this morning's paper, the contribution of immigration, and so forth. It was a very comprehensive treatment. The fact that she did it all without being scripted is a good indication of the degree of commitment and personal engagement that one has on her part, which I would take as a very good sign.

Today we turned to look at the report of the panel. Andrew in his letter to all of us said the purpose of the day was to determine, among other things, the degree of support that there was for this extensive set of recommendations that the panel and the report had brought forward. My sense of the overall discussion of the day is that what you got was a strong validation of the analysis and the conclusions that the members of the panel had arrived at. There was some discussion of means to different ends and some variation in approach, but I heard no serious dissent from what the panel had put forward. The message, in two words, if I can compress it to that, was "do it."

We turned to look at sector councils. An interesting comment was that this is a rather Canadian invention. You can't really make European corporatism and its variants work in Canada despite attempts that have been made, although there are some exceptions in Quebec. At the same time Canadians don't seem ready to settle for the market driven approach of the United States. So what we've come up with is something that one speaker described as an institution that fills in that space between governments and the market.

The sector councils have been a remarkable success in the 10 years or so that they have been in existence. One of the keys to the success is the way they engage the practical self-interest of the parties. There's a strong disincentive to rhetoric and ideology. Business representatives may not

like unions, and worker representatives may want to get rid of the oppressive capitalist classes, but both have an incentive to say, let's put that to one side for the moment because we've got to figure out what kind of training we're going to buy. And it is the engagement of the self-interest of the parties that has enabled the sector councils to preserve their focus and to come up with a large number of constructive achievements. They're a forum for a broad dialogue between labour and business, joint identification of problems, identification of solutions. They contributed, we heard for example, to the redesign of curricula. They've got a role to play in labour market information. The big issue about the future of sector councils is, are they going to be limited to talking to each other and identifying approaches, with somebody else carrying them out, or will there be an opportunity for the councils to engage in fairly large scale direct delivery of training and adjustment programs?

This brings us to the issue of funding, and the constraint here is that while the federal government has some funds available to support the councils, which was strongly recommended by the panel, the large scale funds have been transferred to the provinces which, as I understand it, have displayed fairly limited interest in the sector councils that are in existence. So to some extent we're caught I used to think when I was in the business that it would be nice if we could get around the problems of arguing about whether something should be a federal responsibility or controlled by the provinces by having it controlled by the stakeholders, with the two governments being responsive to the stakeholders. Parenthetically, that's what Alberta has done in apprenticeship as we heard. Unfortunately we haven't made much headway on that front elsewhere, and that has produced a sticky situation about the future of the sector councils.

Turning to the next subject, of labour market information, it's the most complicated. It's the hardest to find a few silver bullets to deal with the issues. We say that information is supposed to be timely, relevant, coordinated, integrated, and so forth. You're trying to match demand and supply. You're trying to facilitate the functioning of the labour market. These are all great things, but when you come to the specifics of how you're going to do that, how you're going to match up requirements for people in a particular trade with the supply, I am reminded of something I was told by the late Malcolm Brown when he was the President of the Medical Research Council. He told me about something called Finnegan's laws. There are three of these laws. The first one says the information you've got is not the information you want. The second one says the information you want is not the information you need. And the third one says the information you need is not available. So you have a very complicated situation made the more so by the rapidly changing character of a lot of work in the Canadian workplace and the heterogeneity that Lars Orsberg referred to.

A number of points were made. There's no single answer. There was a lot of agreement on the need for talking about a skill base and not occupations. Not just talking about skills, but how you acquire them. There was support for the recommendation by the panel for example of the federal/provincial research fund. Some interesting questions were raised about the role of government and also about cost effectiveness. I mean you can go on building data bases almost without limit and yet you have to relate the cost and effort of that to the kind of results that you can hope to achieve. Technology was identified as something which could help out in aspects of this and we also heard, interestingly enough, that instead of just thinking about things at the national level a lot of the time it's the local labour market information that is really important to people who aren't prepared to move from Halifax to Hamilton.

There was some disagreement about the importance of immigration as a major feed to the labour force, but support right across the board for the program and by implication support for the recommendations of the panel about immigration. And a discussion particularly of how we can be competitive in certain high demand areas while at the same time preserving some of the public interest considerations that govern the overall immigration regime. Here again as we heard in a number of areas – sector councils, apprenticeship, labour market information – there were recurring references to the importance of credentials, of being more systematic about assessing and recognizing credentials of a less than conventional character.

There was an interesting point that came up. The story of Canada and some other countries is of the success of inflows of immigrants. They take the menial jobs when they arrive and they work their way up through the system. The country is full of success stories, and more recently we've done very well in integrating multi-racial groups. But now there's the downturn, a quite worrying slump in the successes achieved by newly arrived immigrants during the 1990s. There is the possibility that that was a product of a fairly bad economy for most of the decade. There is also a question of whether there's a racial element to it, although given our successes in integrating people of very different races and backgrounds in Canada, race can't be the whole explanation for the failure of newly arrived immigrants in the last decade to do well. But we do have evidence of what somebody called a two-storey labour market, which isn't limited to the immigrants because there are the 1.3 million Canadians who are still unemployed and a lot of them are at the low end of the scale, the low end of the skills scale, the low end of the income scale. And while you've got booming demand for well-trained people the outlook is somewhat more dubious for those who haven't got the abilities to become computer programmers and financial advisers.

When we came to the last discussion this afternoon about apprenticeship, I had a powerful sense of *déjà vu*. Almost everything that I saw in the report and a lot of what I heard this afternoon was exactly what we were talking about in 1988 when I went to the Department of Employment and Immigration. Dropouts, limited participation by women, limited use of the Red Seal, the problem of getting it into the schools and so on. I guess there could be different diagnoses as to the reasons, but these are the hoary, tradition-encrusted trades. There doesn't seem to be a lot of appetite for innovation on the part of those managing them.

But you know you can find good news if you want to look at it. Alberta is an extraordinary example of what is possible when governments give something enough attention and incidentally involve the stakeholders in a constructive way. Alberta is simply in a different universe from most of the other provinces. We heard that Ontario is getting at the problem, I'll allow myself to say somewhat belatedly, but they are, I understand, getting at it, But generally with the exception of Alberta the approach of our provincial governments towards the apprenticeship, if I may use a phrase of Prime Minister St. Laurent, is that they've approached it in a fit of absence of mind. We heard from the President of Centennial College that there are looming problems there, and not a whole lot has been done in most parts of the country to move up and try to anticipate those.

So Mr. Chairman, we've all had a long day. I won't go on any longer except to conclude that judging by today's discussion, we have confirmation that the panel has made a valuable contribution. You heard what I would regard really as quite pervasive expressions of support for it, some additional suggestions on the how-to and some variations but clearly a desire to see these recommendations pursued by governments. And I emphasize the plural. Thank you.

Moderator: Thank you Arthur for those excellent comments. That was really very good. I'll take any general comments now and then I'll close. We've been very efficient today and every session has ended before time so we're going to do the same for this one. But I did plan a little extra time, if anyone wants to make some general comments on today's sessions.

COMMENTS FROM THE AUDIENCE:

Claire Morris (Deputy Minister, HRDC):

Andrew, just on behalf of all of us from HRDC, I want to say thank you to the Centre for today's session. I only had the opportunity to participate this afternoon but it was an incredibly rich discussion and I think it underlined for us the kinds of challenges that are there with respect to the skills and learning agenda and I think more importantly it's a microcosm of the kind of discussion that we're going to have to have across the country over and over again because there are so many players involved in this very large agenda. I think the opportunity to have this kind of exchange is really excellent so I thank you for your contribution to the day, it was terrific.

Moderator: Okay, thank you. Any other general comments on today's activities? Okay. Well I'd like to thank Human Resource Development Canada for this exercise. We got the go ahead literally on January 29th for this event, so I appreciate everyone coming on relatively short notice. Again, as I mentioned last night, the key for me has been really the commitment of the department. I've been involved in several consultations in the past and never have I seen such a commitment from all levels of Human Resource Development Canada or any department to this exercise. So really I think it was reflected last night in the minister's speech as you pointed out Arthur, it's reflected in the attendance today of senior officials from the department. So I think really this could make a difference for Canadians in the future. So again, I'd like to close this event and thank you all for attending.

Appendix I

List of Participants

Marie-France	Arcuci	Executive Assistant to Commissioner (Workers) Canada Employment Insurance Commission
Bruce	Baldwin	Director Ontario Ministry of Training, Colleges and Universities
Elizabeth	Beale	President and Chief Executive Officer Atlantic Provinces Economic Council
Margaret	Biggs	Assistant Deputy Minister, National Delivered Programs Human Resources Development Canada
The Hon. Ethel	Blondin-Andrew	Secretary of State (Children and Youth) Human Resources Development Canada
Deborah	Burns	Acting Executive Director, Planning N.B. Dept. of Training & Employment Development
Lenore	Burton	Associate Director General Human Resources Development Canada
Paul	Cappon	Director General Council of Ministers of Education
Mike	Carr	V. P. Director of Personnel, Steel Mill Operations IPSCO Saskatchewan Inc.
Jean	Charest	Professeur, Ecole de relations industrielles Université de Montréal
Bob	Crow	Senior Information Technology Association of Canada
Shirley	Dul	Executive Director, Apprenticeship and Industry Training Alberta Learning
Janice	Elliott	Vice-President Public Policy Forum
Jorge	Garcia-Orgales	Representative, Research Department United Steelworkers of America
Ken	Georgetti	President Canadian Labour Congress
John	Gordon	National Executive Vice-President Public Service Alliance of Canada
Denis	Goulet	Coordonnateur du Comité Interfédéral du Sector Privé Confédération des Syndicats Nationaux
Martin	Green	Director, Economic Framework Policy Industry Canada
Howard	Greenberg	Partner Greenberg Turner
Gary	Greenman	Executive Director Alliance of Sector Councils
Rodney	Haddow	Professor, Department of Political Science St. Francis Xavier University
Lawrence	Hanson	Analyst, Social Policy Development Privy Council Office
Kevin	Hayes	Senior Economist Canadian Labour Congress

Matthew	Ivis	Policy Analyst Canadian Chamber of Commerce
Andrew	Jackson	Director of Research Canadian Council on Social Development
Richard	Johnston	President Centennial College
Dave	Killham	Special Assistant to the Canadian Director United Food and Commercial Workers
Arthur	Kroeger	Former Deputy Minister Employment and Immigration Canada
James	Lahey	Associate Deputy Minister Human Resources Development Canada
Keith	Lancastle	Executive Director National Apprenticeship Forum
Avrim	Lazar	Assistant Deputy Minister, Strategic Policy Human Resources Development Canada
Les	Linklater	Acting Director, Strategic Policy, Planning & Research Citizenship and Immigration
Carla	Lipsig-Mummé	Professor and Director Centre for Research on Work & Society, York University
Patrick	Luciani	Executive Director Donner Canada Foundation
Michael	Luff	National Representative National Union of Public and General Employees
David	MacDonald	Director General, Skills and Learning Task Force Human Resources Development Canada
Doug	MacPherson	Assistant to the National Director of Canada United Steelworkers of America
Shawn	McCarthy	Bureau Chief Globe and Mail
Noah	Meltz	Professor Emeritus University of Toronto
Claire	Morris	Deputy Minister Human Resources Development Canada
Alice	Nakamura	Winspear Professor, Faculty of Business University of Alberta
George	Nakitsas	Executive Director Canadian Steel Trade and Employment Congress
Neville	Nankivell	Columnist National Post
Brigitte	Nolet	Minister's Press Secretary
Dale	Orr	Vice-President WEFA Inc.
Elaine	O'Reilly	Senior Consultant Canada Career Development Foundation
Lars	Osberg	McCullough Professor of Economics Dalhousie University
Bert	Pereboom	Research Coordinator, Expert Panel on Skills Peartree Consulting
André	Piché	Senior Policy Analyst Canadian Federation of Independent Business

Garnett	Picot	Director General, Analytical Studies Branch Statistics Canada
Ann	Ratcliffe	Director General, Strategic Policy, Planning & Research Citizenship and Immigration Canada
Margaret	Roberts	Consultant
Ted	Roseman	Senior Policy Analyst Finance Canada
Joanne	Roulston	Director National Council of Welfare
Derwyn	Sangster	Director, Business Canadian Labour and Business Centre
Marcel	Saulnier	Policy Advisor Prime Minister's Office
Andrew	Sharpe	Executive Director Centre for the Study of Living Standards
David	Slater	Secretary-Treasurer Centre for the Study of Living Standards
Lori	Spadorcia	Minister's Special Advisor
The Hon. Jane	Stewart	Minister Human Resources Development Canada
Ron	Stewart	Director General, Program Branch Human Resources Development Canada
David	Stewart-Patterson	Senior Vice-President, Policy & Communications Business Council on National Issues
Robert	Sweet	Professor, Faculty of Education Lakehead University
Paul	Swinwood	Executive Director Software Human Resources Council
Sherri	Torjman	Vice-President Caledon Institute of Social Policy
Wilma	Vreeswijk	Acting Director General, Labour Market Policy Human Resources Development Canada
Arlene	Wortsman	Director, Labour Canadian Labour and Business Centre

Appendix II

Lead Speakers' Biographies

Margaret Biggs is Assistant Deputy Minister, Nationally Delivered Programs in the Human Resources Development Branch of Human Resources Development Canada. Prior to assuming this position in July 2000, she was Associate Executive Head, Strategic Policy. From 1996 to 1998, she served as a Special Advisor to the Assistant Deputy Minister, Strategic Policy, and headed up HDRC's work on the National Child Benefit. This assignment followed an interchange as a Research Fellow at Canadian Policy Research Networks where she worked on the social union. She graduated from a B.A. in political science from the University of British Columbia in 1974 and then received an M.A. in international affairs from the Norman Patterson School of International Affairs at Carleton University.

Mike Carr is Vice-President-Director of Personnel, Canadian Steel Mill Operations at IPSCO Saskatchewan Inc. in Regina and National Co-Chair of the Training and Adjustment Committee at the Canadian Steel Trade and Employment Congress (CSTEC). Prior to assuming his current position in 1998, he was Senior Director of Human Resources at the Yankee Group of Companies in Saskatoon. Previously, he held a number of positions at Intercontinental Packers Limited, including Personnel Manager and Chief Shop Steward. He is currently active as a volunteer in a number of business, industry and professional organizations, including the Conference Board of Canada, the Saskatchewan Chamber of Commerce, the Saskatchewan Council of Human Resource Associations, and the Canadian Pension and Benefits Institute.

Jean Charest est Professeur à l'École de relations industrielles de l'Université de Montréal depuis 1997, détenteur d'un baccalauréat en administration des affaires de l'École des Hautes Études Commerciales (B.A.A.), d'une maîtrise en sciences économiques de l'Université du Québec à Montréal (M. Sc.) et d'un doctorat en relations industrielles de l'Université Laval (Ph.D.). Sa thèse de doctorat a porté sur la concertation sectorielle au Québec et au Canada. Ses champs de recherche et ses publications portent principalement sur les politiques publiques de main-d'œuvre, les institutions en relations industrielles, la formation de la main-d'œuvre, le syndicalisme et les transformations des systèmes de relations industrielles. Il a travaillé auparavant comme économiste à la Confédération des syndicats nationaux et comme professeur d'économie au niveau collégial.

Shirley Dul is Executive Director, Apprenticeship and Industry Training at Alberta Learning.

Ken Georgetti is President of the Canadian Labour Congress. Elected in May 1999, he became the youngest person to lead Canada's central labour organization. Born in Trail, B.C., Georgetti, like his father, went to work in the giant Cominco smelter. He worked in most areas of the smelter and earned his trade ticket as a pipefitter. Following the family tradition, Georgetti became active in the United Steelworkers of America Local 480, rising to President of the Local in 1981. Elected Vice-President of the B.C. Federation of Labour in 1984, he became its youngest President a short two years later, in 1986. He is a Vice-President and member of the Executive Board of the International Confederation of Free Trade Unions (ICFTU), and a member of the ICFTU Human and Workers' Rights Committee. He is also an executive member of the Trade Union Advisory Committee to the OECD. He serves as Honorary

Chairperson of the Association of Learning Disabled Adults (ALDA); he is Chair of the Labour College of Canada; and he is a member of the Board of ABC Canada, a foundation promoting literacy. Until recently, he was the Chair of the Board of the Working Opportunity Fund, a venture capital fund set up by labour and government to promote job creation through new economic ventures. In 1998, he became the first labour leader to receive the distinguished Order of British Columbia. In 2000, he received the distinguished Order of Canada, becoming only the tenth national labour leader to be honoured with the award.

Ken Georgetti est président du Congrès du travail du Canada. Elu en mai 1999, il est devenu le plus jeune président de l'histoire de la centrale syndicale canadienne. Il est né à Trail, en Colombie-Britannique. Comme son père, il est allé travailler pour le géant de la fonderie, Cominco. Il a acquis de l'expérience dans la plupart des domaines de la fonderie et a obtenu sa carte de compétence à titre de tuyauteur. Fidèle à la tradition familiale, il a joué un rôle actif au sein de la section locale 480 des Métallurgistes unis d'Amérique. Il a gravi tous les échelons pour devenir président de la section locale en 1981. En 1984, il a été élu vice-président de la Fédération du travail de la Colombie-Britannique et en est devenu le plus jeune président deux ans plus tard, en 1986. Il est vice-président et membre du Conseil exécutif de la Confédération internationale des syndicats libres (CISL) et membre du Comité des droits de la personne et des travailleurs de la CISL. Il est aussi membre du Comité administratif de la Commission syndicale consultative auprès de l'Organisation de coopération et de développement économiques (CSC-OCDE). Il est président honoraire de l'Association of Learning Disabled Adults (ALDA), président du Collège canadien des travailleurs, et membre du conseil d'administration d'ABC Canada, fondation favorisant l'alphabétisation. Il a récemment quitté son poste de président du Working Opportunity Fund, fonds de capital-risque établi par le mouvement syndical et le gouvernement pour promouvoir la création d'emplois par l'entremise d'initiatives économiques. En 1998, il est devenu le premier dirigeant syndical à être décoré de l'honorable Ordre de la Colombie-Britannique. En 2000, il a été décoré de l'Ordre du Canada, devenant le dixième leader syndical national à jouir d'un tel honneur.

Howard Greenberg is a Partner in the Toronto-based law firm Greenberg Turner.

Richard F. Johnston is President of Centennial College in Toronto, a position he assumed in January 1999. Formerly he had worked as a consultant to the educational sector in matters related to fundraising, governance, community and government relations, and labour/management dispute resolution. Between 1995 and 1998, he was the president of the First Nations Technical Institute (FNTI) on the Tyendinaga Mohawk Territory, near Belleville, Ontario. From 1991 to 1995, he was chair of the Council of Regents for the Colleges of Applied Arts and Technology in Ontario. He served as the MPP for Scarborough West from 1979 to 1990. During that time, he served on select committees on health, education and the constitution. He also chaired the Social Development committee during some of its most challenging times in the minority government of 1985-87. Prior to his election, he worked as the founding executive director of Community Care in Durham Region, directed a volunteer program assisting ex-psychiatric patients, and worked as an administrator at Trent University. He has also worked as a political consultant and television commentator.

Arthur Kroeger was educated at the University of Alberta and at Oxford University, which he attended as a Rhodes Scholar. In 1958, he joined the Department of External Affairs as a Foreign Service Officer. From 1975 to 1992, he served as Deputy Minister in six departments, including Transport, Energy, Mines and Resources, and Employment and Immigration. After leaving

government in 1992, he became Visiting Professor at the University of Toronto in 1993-94 and was Chairman of the Public Policy Forum from 1992 to 1994. He has served as Chancellor of Carleton University since 1993.

Doug MacPherson is Assistant to the National Director of the United Steelworkers of America (USWA) and is National Co-Chair of the Training and Adjustment Committee of the Canadian Steel Trade and Employment Congress (CSTEC). Born in Scotland, he immigrated to Canada in 1965 and settled in Hamilton where he worked for Stelco Inc. He was elected President of his local in 1982 and in 1985 was appointed staff representative with District 6 (Ontario and Atlantic provinces) of the USWA. In 1991, he assumed the position of Assistant Director for District 6, with responsibilities for education and training. He has served as President of the Hamilton-Wentworth Industry Education Council, as a Member of the Halton Industry Education Council, and as a Member of the Sectoral Skills Council (SSC) in the Canadian electrical/electronics manufacturing industry.

Noah M. Meltz is Professor of Business at Netanya Academic College in Israel, and Professor Emeritus from the University of Toronto. Prior to joining Netanya College full-time, he was a faculty member at the University of Toronto from 1964 to 2000. From 1991 to 1998 he was Principal of the University's Woodsworth College and among other administrative appointments he was director of the University's Centre for Industrial Relations from 1975 to 1985. He received a B.Com from the University of Toronto in 1957 and an A.M. and Ph.D. from Princeton University in 1960 and 1964 respectively. He was a member of the Expert Panel on Skills by the Canadian Prime Minister's Advisory Council on Science and Technology. Since 1988 he has chaired the Advisory Committee on Labour Statistics to the Chief Statistician of Canada; and since 1992 he has been a member of the National Statistics Council of Canada. His recent activities include serving as advisor to Human Resources Development Canada on occupational forecasting in Canada; advisor to the Office of the Auditor General of Canada on their reviews of Human Resources Development Canada's training programs and the provision of labour market information; advisor to the Management Board Secretariat of the Government of Ontario on human resource planning; and advisor to the Israel Central Bureau of Statistics reviewing their labour force survey and their entire labour statistics program.

Alice Nakamura holds the Francis Winspear Chair of Business at the University of Alberta. She received a Ph.D. in Economics from Johns Hopkins University. Her expertise is in the areas of employment, job search and e-recruiting, productivity and performance measurement, the design of incentive compatible social programs, econometrics, and microsimulation modeling of the household sector. She has published widely, served on numerous federal and provincial task forces and advisory committees, and has been a frequent keynote speaker and presenter at government and business conferences and other events. In 1995, she served as President of the Canadian Economics Association. In 1996, she received an Honorary Doctorate of Law from the University of Western Ontario. She is currently the academic co-chair of the Canadian Employment Research Forum (CERF) and a Research Fellow of the C.D. Howe Institute. She also heads up the Canada-wide volunteer university faculty initiative that has created www.CareerOwl.ca, an internet recruiting information system open to all and dedicated to helping Canadian employers connect with the talent they need, with special features to facilitate the recruiting of those with post secondary educational qualifications. She is a member of the Board of Directors of the Centre for the Study of Living Standards.

Elaine O'Reilly is a senior consultant with the Canadian Career Development Foundation and is the author of the recently published *Making Career Sense of Labour Market Information, 2nd Edition*. Through this, and the development of innovative labour market information resources, work with sector councils in the area of skill development and leading-edge training initiatives, Elaine has furthered the connection between labour market information and the real experiences and issues of Canadian workers and work-seekers.

Lars Osberg is McCulloch Professor of Economics at Dalhousie University. He received his Ph.D. in Economics from Yale University in 1975. He taught at the University of Western Ontario from 1974 to 1977 before moving to Dalhousie University. He has published numerous articles in academic journals and seven books, including *The Unemployment Crisis: All for Naught*, edited with B. MacLean (McGill-Queens University Press, 1996) and *Hard Times, Hard Money*, edited with Pierre Fortin (James Lorimer Publishers, 1998). He was President of the Canadian Economics Association in 1999-2000 and is a Member of the Board of Directors of the Centre for the Study of Living Standards.

Margaret Roberts is a private consultant with over twenty years of experience in the field of occupational classification and analysis, skills analysis, occupational standards and career development. She served as Director of Occupational Research and Development at Human Resources Development Canada where she was responsible for the development of the National Occupational Classification, research and development in support of occupational skill standards, the initial Essential Skills research, and the Red Seal Secretariat. Her work as a private consultant since 1995 has centred on international consultation and research related to occupational classification and standards, job and skills analysis and their applications. She has consulted overseas on assignments for CIDA, HRDC, the World Bank, the United Nations Development Agency, the ILO and the Korean Labor Institute in a variety of countries including Egypt, Malaysia, Indonesia and the Philippines.

Andrew Sharpe is Executive Director of the Centre for the Study of Living Standards (CSLS), a research organization he founded in 1995. He has held a variety of earlier positions, including Head of Research and Editor, *Quarterly Labour Market and Productivity Review* at the Canadian Labour Market and Productivity Centre and Chief, Business Sector Analysis at the Department of Finance. He is past President of the Canadian Association for Business Economics and served as a founding editor of *Canadian Business Economics* from 1992 to 1998. In 2000 he established the *International Productivity Monitor*. He received a Ph.D. in Economics from McGill University in 1982. He has written extensively on productivity and labour market issues.

The Honourable Jane Stewart is Minister of Human Resource Development Canada, appointed in August 1999. She has represented the Ontario federal riding of Brant since 1993. She was an active member of the Standing Committee on Finance, which held the first-ever national pre-Budget consultations aimed at making Canadians' views an integral part of the Budget process. She served as Chair of the National Liberal Caucus from February 1994 until being called to Cabinet as Minister of National Revenue in 1996. As Revenue Minister, Ms. Stewart's reforms increased fairness in tax administration, streamlined the department's operations and made it more transparent to ordinary Canadians. Appointed Minister of Indian Affairs and Northern Development in June 1997, Ms. Stewart helped bring government closer to the Aboriginal peoples of Canada by allowing them to shape their own destiny through bold new initiatives including *Gathering Strength* and the creation of Nunavut. On the international front, Ms. Stewart has been a Canadian delegate to a number of conferences, including the G-8 Ministerial

Conference on Terrorism held in 1996 in Paris. Ms. Stewart graduated from Trent University in 1978 with an Honours Bachelor of Science degree. Before entering public office, she worked as a human resources professional, in both small and large companies across Canada and in the United States. Ms. Stewart's interest in public life came to her at an early age. Her father, Bob Nixon and her grandfather, the Honourable Harry Nixon, represented the provincial riding of Brant for a combined 70 years. Ms. Stewart and her two sons reside on the Nixon family farm near St. George, Ontario.

L'honorable Jane Stewart est ministre de Développement des ressources humaines Canada, nommée en août 1999. Elle représente la circonscription ontarienne fédérale de Brant depuis 1993. Elle a été un membre actif du Comité permanent des finances qui a instauré la tenue de consultations nationales prébudgétaires afin de tenir compte de l'opinion des Canadiens dans le processus budgétaire. M^{me} Stewart a été présidente du Caucus libéral national, de février 1994 jusqu'à ce qu'elle soit nommée ministre du Revenu national, en 1996. À ce titre, ses réformes ont rendu l'administration des impôts plus équitable, rationalisé les activités du Ministère, et rendu celui-ci plus transparent à la population canadienne. Nommée ministre des Affaires indiennes et du Nord canadien en juin 1997, M^{me} Stewart a contribué au rapprochement du gouvernement et des peuples autochtones du Canada en donnant la possibilité à ces derniers de décider de leur avenir grâce à la mise en œuvre de nouvelles initiatives telles *Rassembler nos forces*, et par la création du Nunavut. M^{me} Stewart a été déléguée par le gouvernement canadien à plusieurs conférences internationales, dont la conférence ministérielle du G-8 sur le terrorisme qui s'est tenue en 1996 à Paris. M^{me} Stewart a obtenu un baccalauréat en sciences de l'université de Trent en 1978. Avant son entrée en politique, elle a acquis une expertise reconnue en tant qu'experte-conseil en ressources humaines auprès de petites et grandes sociétés du Canada et des États-Unis. Son intérêt pour la vie publique lui est venue tout jeune. En effet, le père de M^{me} Stewart, Bob Nixon, ainsi que son grand-père, l'honorable Harry Nixon, ont représenté la circonscription provinciale de Brant pendant 70 ans. M^{me} Stewart et ses deux fils habitent la ferme familiale des Nixon près de St. George, en Ontario.

Ron Stewart is Director General of the Labour Market Directorate at Human Resources Development Canada.

Paul D. Swinwood is Executive Director of the Software Human Resource Council (SHRC), a sector council working on human resource development issues in the software sector. He assumed his current position in 1995 after joining the SHRC in 1993 as Vice-President, Operations. Since 1988 he has also been President of PDS Management Services, a consulting company. He has extensive experience in the private sector, having held positions at Learning Tree International Canada, Digital Equipment of Canada, Univac Canada, and Bell Northern Research. He is a graduate of the Eastern Ontario Institute of Technology and studied management of business operations at Harvard University. He is a frequent speaker on human resource issues in the IT field in Canada and abroad.

Wilma Vreeswijk is Acting Director General of the Labour Market Policy Branch in Strategic Policy at Human Resources Development Canada.