

HEADLINE: Round Table on Creating a More Efficient Labour Market in Canada Hosted by the Centre for the Study of Living Standards: Wrap-Up Session

LOCATION/ENDROIT: Chateau Laurier, Ottawa

PRINCIPAL(S)/PRINCIPAUX: 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 curriculum. 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 really 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 *deja 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. If there's any just 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 there's anyone wants to make some general comments on today's sessions.

Unidentified Female Speaker: Andrew, just on behalf of all of us from HRDC, 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 and 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 only started -- we got the go ahead literally on January 29th to go ahead with this event so I appreciate for everyone coming at 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.