

SPEAKING NOTES FOR ROUNDTABLE

FEBRUARY 27,2001

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 CSTECC web-site at www.cstec.ca or look at the “About CSTECC” document that we have distributed, you can see that in our 15 years at CSTECC 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 CSTECC, 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 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 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 CSTE 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.