

SKILLS AND LEARNING FOR CANADIANS



CANADA'S INNOVATION STRATEGY



KNOWLEDGE MATTERS

SKILLS AND LEARNING FOR CANADIANS



"In the new, global knowledge economy of the 21st century prosperity depends on innovation, which, in turn, depends on the investments that we make in the creativity and talents of our people. We must invest not only in technology and innovation but also, in the Canadian way, to create an environment of inclusion, in which all Canadians can take advantage of their talents, their skills and their ideas."

The Right Honourable Jean Chrétien Prime Minister of Canada

CANADA'S INNOVATION STRATEGY

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Canada's Innovation Strategy is presented in two papers. Both focus on what Canada must do to ensure equality of opportunity and economic innovation in a knowledge-based economy and society.

Knowledge Matters: Skills and Learning for Canadians recognizes that people are a country's greatest resource in today's global knowledge-based economy. It looks at what we can do to strengthen skills and learning in Canada, to develop people's talent and to provide the opportunity for all to contribute to and benefit from the new economy.

Achieving Excellence: Investing in People, Knowledge and Opportunity recognizes the need to consider knowledge as a strategic national asset. It focuses on how to strengthen our science and research capacity and on how to ensure that this knowledge contributes to building an innovative economy that benefits all Canadians.

MESSAGE FROM THE MINISTER OF HUMAN RESOURCES DEVELOPMENT	
	1.1 Why Skills? And Why Now?
	1.2 Addressing These Challenges
	1.3 Moving Forward
2.	Building a Foundation for Lifelong Learning for Children and Youth13
	2.1 Where We Are Now
	2.2 What We Are Doing Now
	2.3 What We Need to Do
	2.4 How the Government of Canada Could Contribute
3.	Strengthening Accessibility and Excellence in Post-Secondary Education25
	3.1 Where We Are Now
	3.2 What We Are Doing Now
	3.3 What We Need to Do
	3.4 How the Government of Canada Could Contribute
4.	Building a World Class Workforce37
	4.1 Where We Are Now
	4.2 What We Are Doing Now
	4.3 What We Need to Do
	4.4 How the Government of Canada Could Contribute
5.	Helping Immigrants Achieve their Full Potential49
	5.1 Where We Are Now
	5.2 What We Are Doing Now
	5.3 What We Need to Do
	5.4 How the Government of Canada Could Contribute
6.	A Call to Action55

MESSAGE FROM THE PRIME MINISTER......3

Canada is one of the world's great success stories.

Thanks to the hard work, ingenuity and creativity of our people, we enjoy extraordinary prosperity and a quality of life that is second to none. Ours is a history of adaptation and innovation. We have grown from a small agrarian nation at the time of Confederation to a global industrial powerhouse. And we have done this in the Canadian way: by building partnership among citizens, entrepreneurs and governments that encourages new ideas and approaches and that energetically seizes new opportunities.

The Canadian way also entails an abiding national commitment to sharing prosperity and opportunity; to the belief that economic success and social success go hand in hand; and that all Canadians should be afforded the means and the chance to fulfill their individual potential and to contribute to building a higher Canadian standard of living and a better quality of life.

In the new, global knowledge economy of the 21st century prosperity depends on innovation, which, in turn, depends on the investments that we make in the creativity and talents of our people. We must invest not only in technology and innovation but also, in the Canadian way, to create an environment of inclusion, in which all Canadians can take advantage of their talents, their skills and their ideas; in which imagination, skills and innovative capacity combine for maximum effect.

This has been an overriding objective of our government and was the basis of our 2001 Speech from the Throne. And it is why we are so committed to working with the provinces, the territories and our other partners on a national project to build a skilled workforce and an innovative economy.

To stimulate reflection and to help crystallize a Canada-wide effort, we are releasing two papers: Knowledge Matters: Skills and Learning for Canadians and Achieving Excellence: Investing in People, Knowledge and Opportunity. From this starting point, we look forward to building a broad consensus not only on common national goals, but also on what we need to do to achieve them in the Canadian way.

lean Chrétien

Prime Minister of Canada

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People matter. Their knowledge matters. In today's job market, knowledge brings personal success. And through that success comes confidence in the future.

It has become clear to me, in my work as Minister of Human Resources Development, that people will drive the economy in the 21st century. Their knowledge, skills, and creativity lead to innovation. We now work in a labour market that demands we keep up with technological changes. We now live in a society that prides itself on continuous learning to get good jobs to support ourselves and our families. We now compete globally on the quality and quantity of our ideas.

Canada's skills and learning challenge is a national priority. It's about making sure that all of our citizens are in the best possible position to reach their goals. Canada is strong when its citizens are strong.

Helping Canadians improve their quality of life has been at the heart of the Government of Canada's economic and social policy choices. We have built a solid foundation. We have worked hard to get the fiscal and economic fundamentals right. And we have made a series of investments to help Canadians reach their personal goals and potential.

The Report of the Expert Panel on Skills, presented to the Prime Minister's Advisory Council on Science and Technology in February 2000, was a catalyst for national debate on the skills and learning challenges faced by Canada and Canadians. The 2001 Speech from the Throne recognized the importance of investing aggressively in the literacy, skills and talents of Canadians and outlined the Government's commitments in this area. Throughout 2001, the Government of

Canada sponsored a series of national roundtables, and had discussions with representatives of provincial and territorial governments, Aboriginal communities, business, labour, education, and public policy and non-governmental organizations about skills and learning challenges and areas for action.

Knowledge Matters: Skills and Learning for Canadians brings together what was heard in these discussions and outlines the broad consensus. This document suggests both policy directions for the country and national goals and milestones to be reached for the future, recognizing that this work is a long term effort. We know where we need to go. Now we have to determine how best to get there.

This paper is an invitation from the Government of Canada to participate in a national dialogue on what Canada needs to do to respond to the challenges of the knowledge-based economy. We want to build on the collaborative relationship we have with provincial and territorial governments, one that is built on mutual respect for each other's jurisdiction. We also want to work closely with business, labour, educators, Aboriginal leaders, community groups, and all interested Canadians to develop a national approach.

I hope that Canadians will respond to this invitation. We have before us an opportunity to secure our future, our children's future and our country's future.

lane Stewart

Jane Stewart

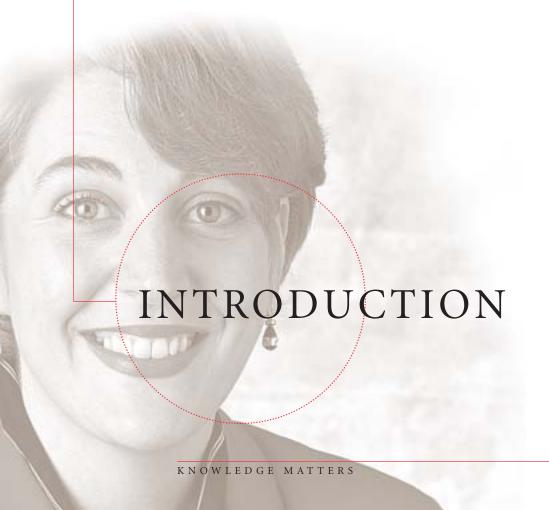
Minister of Human Resources Development

CANADIANS ENJOY A QUALITY OF LIFE AMONG THE HIGHEST OF ANY NATION IN THE WORLD.

Canada is consistently near the top, and often at the top, of international rankings of the best countries in which to live. We have built a strong and vibrant society with culturally diverse, dynamic communities and enviable education, health, social, and economic systems. Our success is founded on strong values of sharing, equality, openness, inclusion. It has been powered by our ingenuity, creativity and hard work. We have ensured that our country's fiscal and economic fundamentals are strong. Canada is well positioned to enjoy continued social and economic prosperity in the new century.

CANADIANS REMAIN CONFIDENT ABOUT THEIR FUTURE, BUT THEY RECOGNIZE THAT CANADA CANNOT STAND STILL IN TODAY'S GLOBAL ECONOMY.

Countries that succeed in the 21st century will be those with citizens who are creative, adaptable and skilled. The so-called "new" economy is demanding new things from us. The need for ingenuity, creativity and hard work has not changed. How we do our work has. Today's workplace requires higher levels of education and skills. The equipment we use to do our jobs has also changed. Teachers, police officers, forestry workers and company presidents alike use increasingly sophisticated information technology to do their work.



OUR PEOPLE – THEIR SKILLS, TALENTS, KNOWLEDGE AND CREATIVITY – ARE THE KEY TO OUR FUTURE SUCCESS.

To seize the opportunities before us, learning must be available to all Canadians throughout their lifetime, so that everyone has the opportunity to reach his or her full potential. It is in skills and learning that our economic and social goals find common expression. By providing opportunities for all Canadians to learn and to develop their skills and abilities, we can achieve our commitment to economic growth and prosperity and demonstrate our social values of inclusion and equality.

WE CAN AND MUST DO MORE, TOGETHER.

The January 2001 Speech from the Throne recognized that no one government or organization can build a skilled workforce on its own. It must be a national effort. The Government of Canada made a commitment to work with provinces, territories and other partners to ensure that all Canadians can achieve their skills and learning goals. We have held consultations on Canada's skills and learning challenges, through national roundtables and discussions with provincial and territorial governments, Aboriginal communities, business, labour, academics, volunteer groups, individual Canadians. We have also taken action in our recent Budget.

Following these consultations, the Government of Canada has developed this discussion paper to engage Canadians in a national dialogue on skills and learning. The paper describes the strong platform of high-quality education systems and current investments in skills and learning upon which we can build.

It also outlines the skills and learning challenges that Canada faces, proposes national goals and milestones, sets out the Government of Canada's commitments, and challenges us to find a common vision of where we want to go and to develop an action plan that includes us all.

Meeting these challenges is not about a short-term "fix" or a series of one-time initiatives. It is about a *commitment* to action by Canadians and their governments, beginning now and continuing over the medium and long term, to build together the future we all want, for ourselves and for our children.

"Meeting education needs is entirely consistent with the broader objectives of our union. When we look at our members we see more than a group of taxpayers or cogs in the productivity game. We see human beings with needs and hopes, with dreams and desires. Education opportunities for our members is a priority for our union."

Lawrence McBrearty, National Director for Canada United Steel Workers of America September 10, 2001

1.1 WHY SKILLS? AND WHY NOW?



Three key imperatives are driving us to action:

FIRST, THE KNOWLEDGE-BASED ECONOMY MEANS AN EVER-INCREASING DEMAND FOR A WELL-EDUCATED AND SKILLED WORKFORCE IN ALL PARTS OF THE ECONOMY AND IN ALL PARTS OF THE COUNTRY.

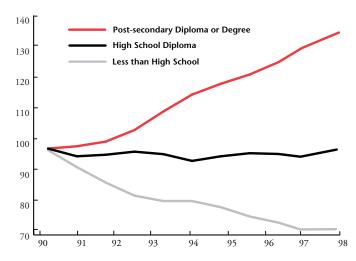
All aspects of the way we live and work, the way we produce and consume, are in the midst of a profound transformation as a result of the revolution in information and communications technologies and the rise of the global knowledge-based economy.

Products, firms and industries that were unheard of a decade ago are now significant sources of wealth. The skills required for many conventional occupations are changing rapidly, and many skills are quickly becoming dated as new jobs, new technologies and new industries emerge.

The use of computers and other high-tech tools is transforming the way Canadians work and do business, in all sectors and in every region of the country. For example, truck drivers now need to know how to use global positioning systems, students work on-line in "networked" classrooms, crane operators work with sophisticated onboard computers, and individual investors conduct stock market transactions from their home computers.

Employment Growth by Highest Level of Education

Index (1990=100)



Source: Industry Canada compilations based on Statistics Canada data

By 2004, more than 70 percent of all new jobs created in Canada will require some form of post-secondary education, and 25 percent of new jobs will require a university degree. Only 6 percent of new jobs will be held by those who have not finished high school¹.

Canada is already facing structural skills shortages in a range of occupations, such as nursing, engineering and management. The Canadian Federation of Independent Business reported in late 2000 that up to 300,000 jobs were vacant because of a lack of suitable skilled workers².

SECOND, THERE IS A LOOMING DEMOGRAPHIC CRUNCH THAT WILL EXACERBATE THESE SKILLS SHORTAGES.

Despite the current global economic downturn, Canada's economy will continue to enjoy strong growth in the years ahead. But our workforce will grow at a much slower rate than in the past, and our future labour supply will be inadequate to meet the demands of the economy. Already, shortages are occurring in many skilled trades, including the plumbing and construction trades. The Conference Board of Canada forecasts a shortfall of nearly one million workers within 20 years³.

A number of factors are contributing to this situation. Our population is ageing overall, and population growth rates will continue to be low. The next cohort of youth workers will be smaller than in the past. Too many Canadians are currently outside the workforce: There is a sharp divide in labour force participation rates for low-skilled and high-skilled Canadians (56 percent vs. 79 percent)⁴.

Canada needs to take action now to make sure we have the supply of skilled labour we will need in the future. This means making sure that Canadian workers have opportunities to upgrade their skills over the course of their working lives; more than half of the workforce of 2015 is already in the labour market. It means maximizing opportunities for all Canadians to participate in the labour market and attain their potential. And it means competing with other countries, which will be in a similar demographic position, to attract skilled immigrants to Canada. By 2011, immigration will account for all net labour force growth in Canada.

THIRD, OUR LEARNING SYSTEM MUST BE STRENGTHENED IF WE ARE TO MEET THE SKILLS AND LABOUR FORCE DEMANDS OF THE NEXT DECADES.

It used to be that learning took place primarily in schools. Now learning occurs throughout our lives: before school, through early childhood development; in school; and right through our working lives. We can be proud of the fact that Canada has strong primary and secondary education systems and the highest level of participation in post-secondary education in the world. But challenges need to be addressed at every level of our learning system to ensure Canadians can realize their aspirations and succeed as well-educated, highly-skilled individuals.

Canadian High School Students Perform Very Well

Fifteen-year-old Canadian students performed very well in the recent Programme for International Student Assessment (PISA). Canada ranked second in reading, fifth in science, and sixth in mathematics among the 32 countries included in the study.

- 1 Applied Research Branch, Human Resources Development Canada, Job Futures (2000) World of Work: Overviews and Trends.
- 2 The Canadian Federation of Independent Business (CFIB), Hard Facts Survey, Oct-Nov. 2000.
- 3 The Conference Board of Canada, *Performance* and *Potential*, 2000-2001.
- 4 Statistics Canada, Labour Force Survey, 2001. Data is based on education level.

For example,

- Canada's system of supports and services for early childhood development does not reach as many young families as it should.
- One in eight young Canadians does not complete high school, and one in four graduates lacks the literacy skills necessary to participate in the knowledge-based economy.
- Access to post-secondary education is more difficult for lower socioeconomic groups and for people with special needs.
- Adults with jobs do not have enough opportunities to "learn while they earn", and our adult learning system does not always provide adults with the information they need to make the right choices about their learning.

1.2 ADDRESSING THESE CHALLENGES

MAKING SURE THAT CANADIANS HAVE THE SKILLS AND KNOWLEDGE REQUIRED FOR TODAY'S ECONOMY AND SOCIETY IS A NATIONAL CHALLENGE, ONE THAT NO SINGLE GOVERNMENTS ALONE, CAN MEET.

The Government of Canada is responsible for overall fiscal, economic and trade policies, for fostering Canada's productivity and competitiveness in the world economy, and for promoting our development as an inclusive society. The provincial and territorial governments have jurisdiction over education significant and responsibilities for economic and social development within their province or territory. Business, labour, the voluntary educational institutions sector, communities all have roles to play. And, ultimately, individuals are responsible for their own learning and development.



The Government of Canada has worked collaboratively with the provinces and territories on a number of initiatives and has recently introduced important measures within its own areas of responsibility.

Cooperation on social policy between the Government of Canada and provincial and territorial governments has resulted in strengthened supports for children and families, notably through the National Child Benefit, the National Children's Agenda and the Early Childhood Development Agreement.* The Government of Canada has also doubled the duration of maternity and parental benefits under Employment Insurance.

Through the Forum of Labour Market Ministers, the Government of Canada and the provincial and territorial governments work together to address labour market challenges. This includes improving interprovincial mobility for workers and making sure Canadians have up-to-date labour market information on which to base career and learning choices.

^{*} While the Government of Quebec shares the same concerns as other governments on children's issues, Quebec does not participate in federal-provincial-territorial initiatives such as the National Child Benefit, the National Children's Agenda or the Early Childhood Development Agreement.

The **Labour Market Development Agreements** are an important instrument of intergovernmental cooperation on the development and delivery of employment measures to assist unemployed Canadians to return to work.

The Government has worked closely with provincial and territorial governments to improve programs offering financial assistance to post-secondary students. The Government has also increased support for university research through the **Canada Foundation for Innovation**, funding for research chairs and increased support to granting councils.

In its December 2001 Budget, the Government of Canada announced a series of measures that build on previous strategic investments to strengthen and encourage learning and skills development: increased support for Sector Councils; increased investment in early childhood development programs and services for Aboriginal children and increased support for First Nations children facing learning challenges in school; continuing investments in **SchoolNet**; improved support for apprentices; changes to the Canada **Study Grants** to better assist students with disabilities; an extension of the education tax credit to individuals receiving taxable assistance for their postsecondary education; and an exemption from income tax of tuition assistance for adult basic education provided under certain government programs.

Investing in Skills, Learning and Research

"The Government has long recognized the value of investing in people – in literacy and in the education system, which provides advanced skills and individual economic security; in on-the-job training, which supports job-specific skills; and in universities and other centres of advanced research, where the ideas and instructors of the future are found."

Government of Canada The Budget Plan 2001 December 2001 "The globalization of markets, the speed and fluidity of communications, the rapid pace of change in knowledge and technology, the accelerated rate of social change, the need for job market retention or re-entry and the increasing complexity of social life are all factors that require adults to have sufficient basic education and to update their skills in order to adapt."

Government of Quebec Draft Policy on Adult Education from the Perspective of Lifelong Learning May 2001

"The Labour Force Planning Committee has identified three key strategies to meet the labour market needs of the future: increase the skill and knowledge levels of Albertans; increase the mobility of labour in Canada; and increase the number of immigrants to Alberta."

Government of Alberta Prepared for Growth: Building Alberta's Labour Supply October 2001

"People who continue to learn and adapt their skills to keep pace with the demands of a changing workplace are best positioned to succeed. In today's knowledge-driven world, education, training and literacy are bedrock economic programs in which New Brunswick must invest to ensure our competitiveness and ability to achieve Greater Opportunity."

Government of New Brunswick Greater Opportunity New Brunswick's Prosperity Plan 2002-2012 February 2002 PROVINCES AND TERRITORIES ARE ALSO TAKING ACTION AND SHOWING LEADERSHIP TO MEET CANADA'S SKILLS AND LEARNING CHALLENGES.

The governments of Quebec, Alberta and New Brunswick, for example, have recently released papers highlighting skills and learning issues in their respective provinces. Specific provincial and territorial initiatives range from early literacy and learning programs in Nova Scotia and Saskatchewan, to increased support for technology in schools in Prince Edward Island, to British Columbia's system of transferring courses and credits among institutions. Post-secondary education capacity has been expanded in Manitoba and in Ontario and strategies to enhance literacy have been developed in Newfoundland and Labrador as well as in the Northwest Territories.

1.3 MOVING FORWARD

FOR CANADIANS TO HAVE THE SKILLS THEY NEED TO PARTICIPATE FULLY IN SOCIETY, AND TO SECURE CANADA'S POSITION AS A LEADER IN THE WORLD ECONOMY, FURTHER ACTION IS REQUIRED BY ALL.

We need a Canada-wide skills and learning agenda so that:

- our existing workforce has ongoing opportunities to upgrade its skills and acquire new ones;
- our learning system can develop a world-class labour force to meet Canada's current and future skills needs; and
- our supply of skilled workers continues to grow: by improving the level of skills of those now in, as well as those entering, the labour force; by raising the participation rates of those facing particular barriers; and by attracting highly skilled immigrants.

THE GOVERNMENT OF CANADA IS CALLING FOR A RENEWED EFFORT BY ALL SECTORS OF CANADIAN SOCIETY TO ENSURE WE MEET OUR SKILLS AND LEARNING REQUIREMENTS FOR THE 21ST CENTURY.

This paper proposes a series of national goals and milestones against which progress can be measured over time and reported on regularly to Canadians. It also identifies, as a basis for further discussion, possible areas for action by the Government of Canada, working within its own areas of responsibility, as well as in cooperation with others.

THIS PAPER IS INTENDED TO ACT AS A CATALYST FOR DISCUSSION ON SKILLS AND LEARNING.

It invites all Canadians to work together to develop a common understanding of the challenges we face, articulate a shared vision of where we want to go, and create a plan of action to get us there.

Along with this paper, the Government of Canada is also releasing a companion paper by Industry Canada. That paper discusses priorities and possible actions to create and use knowledge to benefit Canadians, increase the supply of highly qualified people, and strengthen incentives to innovation. Together, these papers outline strategies to invest in the skills and talents of Canadians, strengthen our knowledge infrastructure, ensure the right business climate, and make sure knowledge is put to the most effective use within the economy. Action in these areas is essential to ensure that Canada is able compete successfully knowledge-based economy and that all Canadians can share in its benefits and enjoy a high quality of life.

The next sections of this paper discuss the skills and learning challenges Canada faces in each of the following areas:

- Building a foundation for lifelong learning for children and youth;
- Strengthening accessibility and excellence in post-secondary education;
- Building a world class workforce; and
- Helping immigrants achieve their full potential.

The path of lifelong learning begins in early childhood. Each step in the learning process builds on previous success – from the preschool years to elementary and secondary school, to post-secondary education, to adult learning. Poor outcomes in childhood can undermine subsequent education and skills development and limit future employment success and quality of life.

Today's children and youth will spend their entire careers working in a knowledge-based economy. They need a solid learning foundation upon which they can realize their aspirations, develop skills in adulthood, and fully participate in Canada's economy and society.

2.1 WHERE WE ARE NOW

TODAY'S GENERATION OF YOUNG CANADIANS IS THE BEST EDUCATED IN OUR HISTORY.

Most children in Canada enter school ready to learn and, once there, perform well. High school non-completion rates continue to decline⁵ and an increasing number of young people are pursuing post-secondary education⁶. In short, most Canadian children and youth are doing well in their educational pursuits.

A SIGNIFICANT MINORITY OF CANADIAN CHILDREN, HOWEVER, ARE NOT DEVELOPING THE SKILLS AND ABILITY TO LEARN THAT WILL HELP THEM LIVE AND WORK TO THEIR FULL POTENTIAL.

In our knowledge-based economy this threatens individual well-being; it also limits Canada's potential economic growth. In 1994, 28 percent of children 0–11 years old (some 1.2 million individuals) had at least one behavioural or learning problem⁷. For these children, lack of learning readiness makes it more difficult to adjust to school, to succeed academically and to be accepted by their peers.

- 5 Human Resources Development Canada and Statistics Canada, At a Crossroads: First Results for the 18 to 20-Year-old Cohort of the Youth in Transition Survey, 2002.
- 6 Statistics Canada and Council of Ministers of Education, Canada, Education Indicators in Canada, 1999.
- 7 Applied Research Branch, Human Resources Development Canada, Readiness to Learn, Child Development and Learning Outcomes: Potential Measures of Readiness to Learn, September 1998, T-98-4E.b.

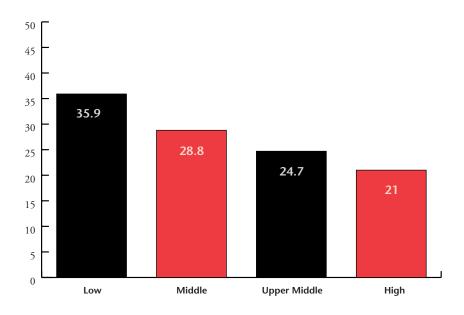
BUILDING A FOUNDATION FOR LIFELONG LEARNING FOR CHILDREN AND YOUTH

8 Statistics Canada and Council of Ministers of Education, Canada, Education Indicators in Canada, 1999. Children who perform below their potential come from all kinds of backgrounds, but low family income is a major risk factor. Currently, almost 20 percent of children 15 years old or younger (some 1.4 million individuals) live in a low-income household⁸. These children show higher than average rates of behavioural and learning problems, lower readiness to learn upon school entry and higher drop-out rates.

BALANCING WORK AND FAMILY PUTS PRESSURE ON PARENTS.

The nature of family life has changed in Canada. Most families now require two incomes to make ends meet. The increase in the proportion of lone parents combined with the increased labour force participation of mothers has dramatically reduced the potential time that parents have to spend with their children. Work/family conflict generates costs for the economy and for families.

Incidence of Vulnerable Children by Family Income



Note: Children with either poor learning or behavioural outcomes, or both, are considered "vulnerable". Children may experience short episodes or prolonged periods of vulnerability.

Source: prepared for the Centre for International Statistics at the Canadian Council on Social Development using the National Longitudinal Survey of Children and Youth, 1994-95 **Understanding the Early Years** is a community research initiative that involves teachers, parents, guardians, community agencies and the Government of Canada. It helps communities across Canada understand how their children are doing and how best to respond to their needs. It maps out where children in communities live in relation to where the programs and services that support them are located. With that information, communities will be able to put in place action plans that will help their children before and after they enter school.

EARLY CHILDHOOD DEVELOPMENT

CHILDHOOD VULNERABILITY
CAN BE OFFSET BY GOOD
PARENTING AND PARTICIPATION
IN QUALITY EARLY CHILDHOOD
DEVELOPMENT PROGRAMS.

If we read to our children, and if they have access to learning experiences in the home, they tend to have better learning Community-based outcomes. public institutions, such as schools and family resource centres, can provide crucial support to children and their families. **Participation** in high-quality early childhood development programs development enhances social language skills. For young children at risk, participation in such programs can improve readiness to learn and lead to success in school. Children who participate in community sports and arts programs are less likely to have emotional or behavioural problems, to experience impaired social relationships, or to repeat a grade⁹.

Early childhood development programs and services are less widely available in Canada than in many other industrialized countries. Access to early childhood learning (preschool and related programs) can strengthen the foundations of lifelong learning for all

children and support the broad-based education and social needs of families. In the 15 European Union countries, between 60 and 99 percent of children 3-6 years old are in publicly funded preschool, child care or school¹⁰. By comparison, Canada's early childhood learning supports and services are uneven in quality and availability. In this environment, children with special needs face unique challenges in accessing supports and services.

Aboriginal children of preschool age are among the most vulnerable children in Canada. Initial studies indicate that the rates of fetal alcohol syndrome and fetal alcohol effect (FAS/FAE) are potentially much higher in Aboriginal communities¹¹. There is an acute need to strengthen early childhood learning opportunities for Canada's Aboriginal population.

ELEMENTARY AND SECONDARY EDUCATION

FOR MOST STUDENTS, CANADIAN SCHOOL SYSTEMS WORK WELL.

Canadian students generally perform favourably in international science and mathematics assessments, with student performance in some provinces and territories on a par with the best in the world. Results of the Third International Mathematics and Science Study (TIMSS) placed Canadian grade 8 students (Secondaire II in Quebec) above the international mean in both subjects. Further, 15-year-old Canadian students did very well in the recent Programme for International Student Assessment (PISA), ranking second in reading, fifth in science, and sixth in mathematics among the 32 countries included in the study¹².

- 9 Offord, David R.,Lipman, Ellen L., and Duku, Erik K. Sports, the Arts and Community Programs: Rates and Correlates of Participation, Applied Research Branch, Human Resources Development Canada, October 1998, W-98-18E.
- 10 Jenson, J. and Stroick, S.M., What Is the Best Policy Mix for Canada's Young Children? Canadian Policy Research Networks, 1999.
- 11 British Columbia
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 1998.
- 12 Council of Ministers of Education, Canada, Human Resources Development Canada and Statistics Canada, Measuring Up: The Performance of Canada's Youth in Reading, Mathematics and Sciences, December 2001.

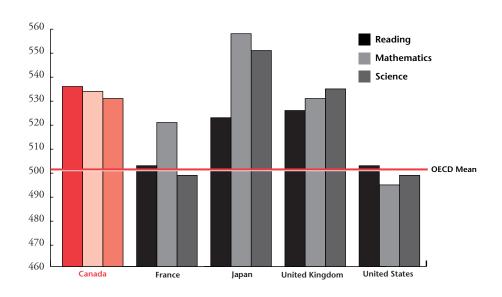
While these tests of student performance are not directly comparable, Canada's ranking relative to other countries has improved substantially over time, with Canada rising from a mid-ranking country to one of the top-ranked countries in both the most recent TIMSS and now in the PISA assessments. We should be proud of these accomplishments.

The following graph shows average student scores, by subject, for a number of Canada's major international competitors.

IN RECENT YEARS, SHIFTING SKILL DEMANDS AND CHANGING LEARNING EXPECTATIONS HAVE LED PROVINCES AND TERRITORIES TO REFORM THEIR ELEMENTARY AND SECONDARY EDUCATION SYSTEMS.

In doing so, they have sought to increase learning quality, implement improvements to the learning environment and enhance public accountability.

PISA Results
15-Year-Old Students



Source: Programme for International Student Assessment (PISA).

Measuring Up: The Performance of Canada's Youth in Reading, Mathematics and Science,
Human Resources Development Canada, Statistics Canada, and Council of Ministers
of Education, Canada, 2001.

NEVERTHELESS, CONCERNS ABOUT SCHOOLING QUALITY AND OUTCOMES PERSIST.

Although most students perform well, a significant minority of high school students and graduates do not. According to the 1994 International Adult Literacy Survey, one in four high school graduates 16-25 years old have literacy skills that fall below the generally accepted minimum for further learning¹³ (level 3 as described below). This means that many young Canadians leave high school without the literacy skills needed for full participation in the knowledge economy.

International Adult Literacy Survey (IALS) Literacy Levels

Level 1 – indicates very low literacy skills, where the individual may, for example, have difficulty identifying the correct amount of medicine to give to a child.

Level 2 – indicates respondents can deal only with material that is simple, clearly laid out and in which tasks involved are not too complex.

Level 3 – indicates the minimum desirable threshold in many countries. It denotes roughly the skill level that is required for secondary school completion and college entry.

Levels 4/5 – indicates increasingly higher literacy skills requiring the ability to integrate several sources of information or solve more complex problems.

ABORIGINAL CHILDREN ARE THE MOST DISADVANTAGED SEGMENT OF THE CANADIAN SCHOOL POPULATION.

This is reflected in the inadequate level of education attained by many young Aboriginal adults. According to the 1996 Census, 41 percent of Aboriginal people 25-34 years old had not completed high school, compared with 18 percent of non-Aboriginal Canadians of the same age¹⁴. Aboriginal school-age children and youth typically score lower in educational achievement than do their non-Aboriginal counterparts. Many Aboriginal students perform below the appropriate grade level, especially in key areas such as reading, mathematics and science¹⁵. This significantly increases the likelihood that these students will attend school irregularly and eventually drop out altogether. Clearly, concerted efforts are required to help improve the overall levels of educational attainment of Aboriginal people.

EDUCATION IS KEY TO THE LABOUR MARKET SUCCESS OF YOUNG CANADIANS.

The more education and skills a young person has, the greater the likelihood of getting a job, earning a good income, and keeping a job. Youth who have not completed high school have an unemployment rate of more than 18 percent, compared with 7 percent for those with a university degree¹⁶. Moreover, the positive impact of education on labour force participation, unemployment and earnings persists throughout life, whereas youth without adequate education and skills face declining job prospects.

- 13 Statistics Canada and the Organisation for Economic Cooperation and Development (OECD), International Adult Literacy Survey, 1994-95.
- 14 Statistics Canada, Census of Canada, 1996. These dropout rates will differ from those cited elsewhere in this document due to differences in population age, survey methodology, and reference period.
- 15 Government of Quebec, Education Statistics Bulletin, 1998.
- 16 Statistics Canada, Labour Force Survey, 2001.

YOUNG PEOPLE RECOGNIZE THE NEED FOR EDUCATION TO PREPARE FOR A CAREER.

17 ibid.

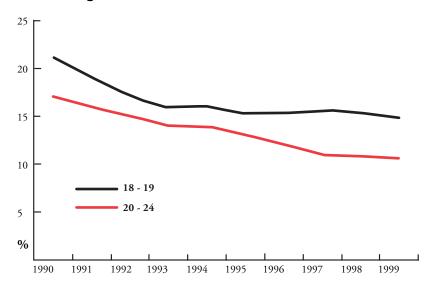
18 Human Resources
Development Canada,
Profile of Canadian
Youth in the Labour
Market – Second
Annual Report to
the Forum of Labour
Market Ministers, 2000.

Full-time school attendance among youth 15-24 years old has risen from approximately 45 percent in the early 1980s to the current level of some 60 percent¹⁷. The number of youth 15-24 years old neither in school nor working is at an all time low of 10 percent. During the 1990s, the high school non-completion rate among youth 20-24 years old fell from 17 percent to 12 percent¹⁸.

IN TODAY'S GLOBAL WORLD WHERE THE IMPORTANCE OF COMMUNICATIONS IS INCREASING IN ALL AREAS, BEING ABLE TO SPEAK ENGLISH AND FRENCH IS AN IMPORTANT ADVANTAGE.

In this era of global competition, learning Canada's two official languages enhances young Canadians' competitiveness in today's job markets, both at home and internationally. From a cultural perspective, bilingualism opens the door to a different vision of the world. From an economic point of view, having dual language skills improves access to markets and opportunities and facilitates the mobility of Canadians, which in turn means getting the right people for the jobs we have, wherever they are.

High school non-completion rates for youth aged 18-19 and 20-24 in the 1990s



Note: Dropout (or non-completion) rate refers to the proportion of people who are not students in a specified age group who have left high school without graduating at a given point in time.

Source: Labour Force Survey

THOUGH MOST YOUTH ARE DOING WELL, A SIGNIFICANT NUMBER HAVE LOW SKILL LEVELS THAT PUT THEM AT RISK OF A LIFETIME OF POOR LABOUR MARKET OUTCOMES.

Over the next five years, occupations that require less than high school education are expected to account for less than 6 percent of new job opportunities, whereas more than 70 percent of new jobs will require at least some post-secondary education¹⁹. Youth who do not have a high school diploma will be even more disadvantaged in the job market of the future.

MANY YOUNG CANADIANS FACE ADDITIONAL CHALLENGES THAT COMPOUND THEIR RISK OF FALLING BEHIND IN THE LABOUR MARKET.

Youth with disabilities tend to have a comparatively weak attachment to the labour force. Only 58 percent of youth with disabilities are in the labour force, compared with 86 percent of their counterparts without disabilities²⁰. This reflects both the relatively low levels of education attained by youth with disabilities and insufficient accommodation of their needs and abilities in the workplace.

Aboriginal youth face a range of issues that may limit their labour market participation. These include insufficient education, lack of information on career choices, the remoteness of many reserves, difficulty obtaining 'first jobs', transitions from on-reserve to off-reserve life, and differences between Aboriginal and non-Aboriginal cultures. There is a need to improve high school completion rates and access to post-secondary education for Aboriginal students. There is also a need to improve information on the learning and labour market outcomes of Aboriginal people and gain a better understanding of how to support successful transitions from school to work.

Finally, some young immigrants have difficulty finding employment because they are unfamiliar with the labour market, are not fluent in one of Canada's official languages, or lack education or qualifications. Immigrant youth who arrived in Canada as young children perform better in the labour market than do those who arrived as teens or young employment adults. Further. the prospects of immigrant youth improve the longer they stay in Canada. In 1996, 20 percent of immigrant youth were unemployed, a rate considerably higher than the average for Canadian-born youth of 15.3 per cent²¹.

¹⁹ Applied Research Branch, Human Resources Development Canada, Job Futures (2000) World of Work: Overviews and Trends.

^{20 1996} Census; 15-34 year olds, full-time students are excluded.

²¹ Census and Labour Force Survey, 1996.

2.2 WHAT WE ARE DOING NOW

GOVERNMENTS IN CANADA HAVE MADE SIGNIFICANT INVESTMENTS IN SUPPORT OF CHILDREN AND YOUTH.

Cooperation among governments multiplies the impact of these investments.

Over the past few years, the Government of Canada and provincial and territorial governments have agreed on the need to invest more in children's services. Supported by a shared vision for children – agreed to by governments and articulated through the **National Children's Agenda** – we are moving steadily toward a comprehensive system of supports for children and families in Canada.

Families with children need policies and programs to help them balance their work and family responsibilities and to meet the costs of providing for their children. Through the **National Child Benefit** (NCB) initiative, the Government of Canada and the governments of the provinces and territories invest in benefits and services to help reduce child poverty and support parents in their transition to employment.

Through the **Canada Child Tax Benefit** (CCTB), the Government of Canada provides financial assistance directly to Canadian families with children. Since 1998, the Government of Canada has increased the NCB Supplement of the CCTB for low-income families with children. In total, by 2004, the Government of Canada will provide about \$8 billion per year to 90 percent of all Canadian families with children through the CCTB basic benefit and the NCB Supplement.

The Federal-Provincial-Territorial Early Childhood Development Agreement

will provide \$2.2 billion to the provinces and territories over five years to support investments in early childhood development programs and services. The Government of Canada is also funding early childhood development through programs such as the Community Action Program for Children, Aboriginal Head Start, and support for First Nations and Inuit Child Care.

National Child Benefit (NCB)

The NCB has fundamentally improved the way child benefits are provided by building a national platform of income-tested child benefits delivered outside of the welfare system. As its contribution to the NCB initiative, the Government of Canada has increased the **Canada Child Tax Benefit** by \$2.4 billion for low-income families with children through the NCB Supplement. This contribution has increased the disposable income of approximately 1.2 million low-income families with about 2.1 million children. Provinces, territories and First Nations have made adjustments to income support and invested about \$600 million in NCB-related benefits and services.

What the NCB means for Canadian families

A low-income working family **with one child** received maximum child benefits of \$2,372 per year in 2001, an increase of 56 percent over the amount received in 1996.

A low-income working family **with two children** received maximum child benefits of \$4,544 per year in 2001, an increase of almost 80 percent over 1996.

A low-income working family **with three children** received maximum child benefits of \$6,719 in 2001, an increase of 85 percent over 1996.

Parents need programs that allow them to spend more time with their children. This is why the Government of Canada enhanced **Employment Insurance maternity and parental benefits** to enable parents to stay home for up to one year with their newborn or newly adopted children. It is when children are very young and their needs are greatest that parents often experience the most stress in balancing work and family. Improving maternity and parental benefits has significantly improved choices for parents.

Maternity and Parental Benefits

Effective, December 31, 2000, the Government of Canada has doubled the duration of maternity and parental benefits under the **Employment Insurance** program so that parents can spend more time caring for their children during the first critical year of life. In addition to providing parents with more time, changes introduced have made the benefits more accessible, flexible and better adapted to today's working parents.



SchoolNet is a collaborative \$30 million per year initiative led by Industry Canada, in partnership with provincial and territorial governments, the education community and the private sector. Canada's **SchoolNet** encourages the integration of information technology into Canada's education system to help students acquire digital literacy skills and experience in using the Internet for research and communication.

The Government of Canada provides financial assistance to provinces and territories for minority-language education and second-language instruction under the **Official Languages in Education Program**.

Through its **Youth Employment Strategy**, the Government of Canada, often working in partnership with provinces and territories as well as with Aboriginal peoples, business, labour and communities, is investing more than \$450 million per year in youth internships, summer jobs, community service projects, and labour market information.

To develop many of these initiatives, the Government of Canada has worked in close cooperation with provincial and territorial ministries in several sectors, notably: Federal-Provincial-Territorial Ministers Responsible for Social Services,

As a nation, we aspire to have children who:

- achieve physical, emotional and social development, language skills, literacy, numeracy and general knowledge to the best of their capabilities;
- are ready for learning throughout their lives so they can gain the abilities they need for present and future fulfilment.

The Federal-Provincial-Territorial
Ministerial Council on Social Policy Renewal
Public Dialogue on the National Children's Agenda:

Developing a Shared Vision
June 2000

and Health; the Federal-Provincial-Territorial Ministerial Council on Social Policy Renewal, the Ministerial Council of Education, Canada (CMEC); and the Forum of Labour Market Ministers.



A strong knowledge and information infrastructure consisting of timely, relevant data, evidence-based research and experiments forms a critical cornerstone in the development of a learning culture. For example, knowledge generated by Understanding the Early Years research has begun to provide valuable insight into the influence of community factors on children's early development. It will be used to improve community capacity to monitor child development and respond effectively. The Government of Canada has an important role to play in developing this knowledge base to ensure we make effective policy choices.

2.3 WHAT WE NEED TO DO

IF CANADA IS TO MEET THE
ECONOMIC AND SOCIAL
CHALLENGES OF THE
KNOWLEDGE-BASED ECONOMY,
IT IS CRITICAL THAT ALL OUR
CHILDREN AND YOUTH HAVE
THE OPPORTUNITY TO FULFIL
THEIR LEARNING POTENTIAL.

Each individual must be encouraged to acquire sound basic skills and to develop the motivation to continue learning throughout life.

To this end, the Government of Canada proposes the following overall national goal and specific milestones:

To give our children and youth the best possible start in life.

Specific milestones for measuring progress toward this goal should include the following:

- Canada becomes one of the top three countries in mathematics, science, and reading achievement;
- all young Canadians are computer and Internet literate by grade school graduation;
- all students who graduate from high school achieve a level of literacy sufficient to participate in the knowledge-based economy; and
- the proportion of high school graduates who have a working knowledge of both official languages doubles.

Achieving this national goal and these will require milestones а better understanding of the relationships between learning outcomes and key learning determinants in the home, school and the community; it will also require measuring and providing information on skills and learning results including in areas such as reading, mathematics, science and official languages acquisition. This knowledge and information foundation will ensure relationships can be understood, outcomes measured and effective action taken. The Government of Canada is prepared to build on its efforts to ensure an appropriate research and measurement agenda in support of this goal.

2.4 HOW THE GOVERNMENT OF CANADA COULD CONTRIBUTE

The December 2001 Budget provided \$185 million over the next two years to enhance programs and services for Aboriginal children. We will work with Aboriginal communities to expand early childhood development programs, reduce the incidence of fetal alcohol syndrome and fetal alcohol effects and provide increased support to First Nations children living on reserves who have special needs at school. The Government has also committed to continuing investments SchoolNet. The Government will consider additional actions in a number of areas to better support children and youth. These actions will be discussed with provincial and territorial governments and with stakeholders:

SUPPORT EARLY CHILDHOOD DEVELOPMENT PROGRAMS AND SERVICES

In collaboration with Aboriginal people, the Government of Canada will implement the commitments of the 2001 Budget regarding Aboriginal children.



The Government of Canada, in partnership with provincial and territorial governments, will continue to implement the commitments in the **Early Childhood Development Agreement**, including annual reporting to the public on progress in improving and expanding services and regular reporting on indicators of child well-being. This reporting will inform Canadians, the Government of Canada and its partners as we move forward in building a solid and comprehensive base of early childhood development programs and services across Canada.

IMPROVE EDUCATION OUTCOMES OF ON-RESERVE FIRST NATIONS CHILDREN AND YOUTH

The Government of Canada will work with partners to find ways of improving First Nations education outcomes in on-reserve schools. Areas of emphasis could include:

- improving reading levels for all students;
- improving access to and outcomes in the mathematics, science and technology areas required for the new economy; and
- addressing on-reserve teacher recruitment and retention.

HELP YOUNG CANADIANS MAKE A SUCCESSFUL TRANSITION FROM SCHOOL TO WORK

The Government of Canada will examine ways to improve its **Youth Employment Strategy** to make it more responsive to changing labour market conditions, better assist youth facing particular labour market barriers, and help youth develop their skills to make successful school-towork transitions.

Post-secondary education is already required for most of the new jobs in today's economy and will be demanded for almost all new jobs in the 21st century. For those without a post-secondary education, employment prospects are dimming rapidly. But post-secondary education is about more than achieving our individual and collective economic potential. It is a means by which we can better understand the world around us, play a more confident role as citizens in a democratic society, and lead more satisfying lives.

3.1 WHERE WE ARE NOW

Public community colleges, CEGEPs, universities and private training institutes provide most of Canada's post-secondary education. This includes full-time and part-time studies, degree and certificate programs, and combinations of work and learning such as apprenticeships and coop education.

THIS NETWORK OF UNIVERSITIES, COMMUNITY COLLEGES AND PRIVATE INSTITUTES IS ONE OF THE MOST EXTENSIVE IN THE WORLD.

In many regions of the country, universities act as magnets for investment and incubators of knowledge and talent, developing vibrant clusters of economic activity. Canada's universities account for one quarter of all research activity in the country and develop advanced skills needed by businesses and industry²². The network of community colleges in more than 900 communities has been effective in providing education not only to secondary school graduates but also to adults already in the workforce, many of whom have not completed high school.

22 Organisation for Economic Cooperation and Development, Main Science and Technology Indicators, 2000-2001.

STRENGTHENING ACCESSIBILITY AND EXCELLENCE IN POSTSECONDARY EDUCATION

POST-SECONDARY EDUCATION ENROLMENT

OF ALL THE COUNTRIES IN THE WORLD, CANADA HAS THE HIGHEST PROPORTION OF PEOPLE WITH POST-SECONDARY EDUCATION IN ITS WORKING-AGE POPULATION.

As shown in the chart below, in 1999, 39 percent of Canadians 25–64 years old had completed community college or university, the highest proportion among the Organisation for Economic Cooperation and Development (OECD) member countries²³.

HOWEVER, CANADA'S EDUCATION ADVANTAGE IS DIMINISHING AS OTHER COUNTRIES RAISE THEIR COLLEGE AND UNIVERSITY PARTICIPATION RATES.

Canada's university and community college enrolment rates flattened out in the late 1990s after several decades of steady growth. This flattening was the result of a slightly rising full-time

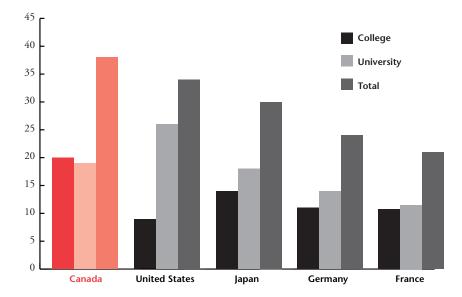
enrolment rate but a sharp decline in part-time enrolment. Over the same period, the enrolment rates across the OECD member countries increased by an average of 20 percent²⁴.

Enrolment levels will grow, demographic reasons, over the coming decade. However, steps will be needed to ensure that enrolments, and therefore participation rates, grow at the rate needed to sustain growth in the knowledge-based economy. Educational institutions of all kinds will need to strengthen their capacity to reach a citizenry which is increasingly diverse. Institutions and governments need to seize this opportunity to work within their jurisdictions and together deliver learning opportunities to more citizens in more innovative ways than ever. The scope for enrolment growth is greatest amongst adults in the workforce, less advantaged youth who choose not to pursue postsecondary opportunities, and individuals from groups at risk of exclusion.

23 Organisation for Economic Cooperation and Development, Education at a Glance, 2001, Table A2.1a.

24 OECD, Education at a Glance, 2001.

Percentage of the population aged 25 to 64 with completed post-secondary education, 1999



Source: OECD, Education at a Glance, 2001

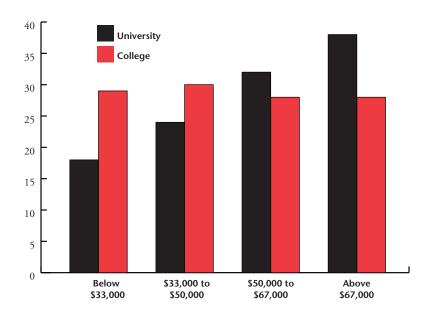
IMPROVING PARTICIPATION OF ALL CANADIANS

WHILE OVERALL POST-SECONDARY EDUCATION PARTICIPATION RATES HAVE RISEN STEADILY UNTIL RECENTLY, A SIGNIFICANT GAP IN PARTICIPATION IN UNIVERSITY EDUCATION IS EVIDENT BETWEEN LOWER, MIDDLE AND HIGHER INCOME CANADIANS.

According to 1998 Statistics Canada data, the university participation rate of high-income Canadians is twice that of low-income Canadians²⁵. No such difference is observed for community colleges,

which are generally less costly, more geographically dispersed, and therefore more accessible to many Canadians. Investments in post-secondary education pay off for individuals in the long run. While expected lifetime earnings vary depending on the field of study, the return to individuals who are willing and able to make the investment in a postsecondary credential is significant. Action is needed to address factors such as debt aversion, lack of information or the "sticker shock" effect of high and rising educational costs that may discourage less advantaged Canadians from pursuing post-secondary education.

Percentage of 18-21 year olds in 1998 having attended university and college between 1993 and 1998 by (after-tax) family income



Note: The population of 18- to 21-year-olds is divided into four quartiles based on after-tax family income. Colleges includes community colleges, institutes of applied arts and technology or CEGEPs.

Source: Family and Labour Studies, Statistics Canada, based on the Survey of Labour and Income Dynamics, 1998.

²⁵ Statistics Canada, *The Daily*, "Participation in post-secondary education and family income," December 7, 2001.

MANY ABORIGINAL PEOPLE HAVE DIFFICULTY ACQUIRING POST-SECONDARY EDUCATION CREDENTIALS.

1996.

27 Statistics Canada and Organisation for Economic Cooperation and Development (OECD), International Adult Literacy Survey, 1994-95.

26 Statistics Canada, Census of Canada. The rapid growth of the Aboriginal population, especially in western Canada, underscores the importance of addressing access and outcome issues for Aboriginal people. The proportion of Aboriginal people with a post-secondary education credential is significantly smaller than the number of non-Aboriginal people with a post-secondary credential²⁶. The Government of Canada has recognized this problem and provided substantial funding for First Nations and Inuit postsecondary education. As a result, enrolments have increased from under 12,000 in 1985 to over 26,000 today. However, significant issues remain. Poor outcomes at the secondary level are often a barrier to higher education. Even those Aboriginal youth who finish high school often lack the necessary reading, mathematics and science skills to succeed at the post-secondary level.

PERSONS WITH DISABILITIES ARE LESS LIKELY TO HAVE OBTAINED A POST-SECONDARY EDUCATION THAN ARE CANADIANS WITHOUT A DISABILITY.

This low participation is because students with disabilities face significant barriers to post-secondary education. Although the exceptional costs associated with their disabilities can be fully or partially offset by **Canada Study Grants**, they may be more reluctant to pursue post-secondary education for a number of reasons related to their disabilities sometimes take longer to complete programs and may experience more difficulty obtaining employment, especially summer employment, to help finance their education.

LACK OF LITERACY IS A KEY BARRIER TO POST-SECONDARY EDUCATION.

Approximately one-fourth of high school graduates lack adequate literacy skills, effectively blocking a large number of youth from post-secondary learning²⁷. The 12 percent high school noncompletion rate also remains a significant obstacle.

APPRENTICESHIPS ARE A VITAL AND UNDERVALUED DIMENSION OF POST-SECONDARY EDUCATION.

The number of registered apprenticeship completions has not risen over the past decade despite an expanding labour force. This has contributed to serious skills shortages in a number of trades. There is, therefore, considerable scope for increasing participation in apprenticeships. Because apprentices "learn while they earn," apprenticeships are especially useful for young adults who

want to improve their earning capacity, but must support themselves while in studies or training.

Workers in the skilled trades are essential to building and maintaining Canada's place in the knowledge-based economy. Apprenticeship training is an effective, long-established way for learners to gain valuable skills by combining on-the-job experience with classroom instruction.

Apprentices

"We need to have a serious examination of how to improve apprenticeship programs. There is a shortage of tradespeople in Canada, and it will worsen in the next few years. Canada is not prepared to deal with this issue under our current apprenticeship programming."

The Conference Board of Canada Performance and Potential 2000–2001

MEETING NEW DEMANDS FOR POST-SECONDARY EDUCATION

DESPITE THE RECENT FLATTENING OF ENROLMENT RATES, AS WELL AS CONCERNS ABOUT EQUITABLE ACCESS, DEMAND FOR POST-SECONDARY EDUCATION IS EXPECTED TO INCREASE OVER THE COMING 10–15 YEARS.

This is primarily because of an increase in the number of Canadians 18–24 years of age (the "echo" of the baby boom), which is just beginning to be felt. In addition, there will be a one-time enrolment bulge as a result of the phasing out of Grade 13 in Ontario.

At current participation rates, an additional 150,000 full-time community college and university students will be enrolled in Canada by 2015, an increase

of more than 20 percent²⁸. This number could increase substantially if efforts to increase post-secondary education participation rates are successful.

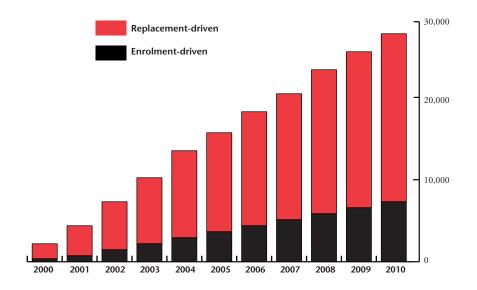
UNIVERSITIES AND COLLEGES
ARE PLANNING FOR ENROLMENT
GROWTH, BUT FACE A NUMBER OF
CHALLENGES, FROM MAINTAINING
FACILITIES TO RECRUITING
FACULTY.

Good-quality, up-to-date infrastructure is essential to attracting both faculty and students in an increasingly competitive environment. Some institutions have delayed maintenance of their physical technological and infrastructure, choosing instead to put their limited resources into teaching and research commitments. The Canadian Association of University Business Officers estimates universities have deferred maintenance costs totalling \$3.6 billion, with \$1.2 billion of this work estimated to be urgent²⁹. The Association of Canadian Community Colleges has also identified deferred maintenance as a pressing problem. According to Statistics Canada, capital expenditures have declined significantly since 1985, but have increased in more recent years³⁰.

The capacity of universities and colleges to expand or even meet current levels of demand will be further challenged by the anticipated retirement of many senior faculty. According to the Association of Universities and Colleges of Canada (AUCC), in the next decade the combination of higher enrolments and faculty retirements will create a need for the recruitment of 25,000–30,000 additional professors³¹. Recruitment of new junior faculty will still leave large deficits at senior levels.

- 28 Estimates by the Socio-Economic Research, Analysis and Forecasting Group, Applied Research Branch, Human Resources Development Canada.
- 29 Canadian Association of University Business Officers, http://www.aucc.ca/en/ comm/apr1000.htm, April 10, 2000.
- 30 Statistics Canada, *The Daily*, July 30, 2001.
- 31 Association of Universities and Colleges of Canada, Research File, March 2000, Volume 4, No 1.

Canadian Universities, Estimated Faculty Recruitment 2000 to 2010



Source: AUCC estimates, based on Statistics Canada data

THE DEVELOPMENT OF HIGHLY QUALIFIED PEOPLE

Over the last fifteen years, the number of people with highly specialized and technical skills sets (e.g., scientists and engineers) has grown. However, in terms of advanced research degrees, such as PhDs, Canada lags behind most other OECD countries, ranking 15th out of 22³². The Advisory Council on Science and Technology reported that firms in many different sectors are already experiencing difficulties in recruiting and retaining highly skilled workers in specialized areas. These challenges will become more acute in the near term unless action is taken³³.

The companion paper from Industry Canada provides detailed information on the challenges the country faces in the development of highly qualified people and on possible initiatives to better support graduate and post-graduate studies.

INCREASINGLY, SUCCESS IN THE KNOWLEDGE-BASED ECONOMY REQUIRES INDIVIDUALS WHO ARE CREATIVE AND WHO HAVE HIGHLY DEVELOPED PROBLEM-SOLVING AND COMMUNICATION SKILLS.

High-performance firms attribute much of their success to developing a wide range of competencies. Information communications technologies also require these skill sets. Teamwork is an essential part of the production process, and interpersonal skills are becoming key determinants of business success. For this reason the arts, humanities and social sciences are increasingly valued as preparation for employment. Also important are multidisciplinary learning and teaching techniques that develop an ability to think creatively and work collaboratively.

³² Organisation for Economic Cooperation and Development (OECD), Employment Outlook, June 1999.

³³ Expert Panel on Skills of the Advisory Council on Science and Technology, Stepping up, Skills and Opportunities in the Knowledge Economy, 2000.

THERE IS A SHORTAGE OF PEOPLE IN THE HIGHLY SKILLED TRADES.

Companies that are successful at adopting new technologies and practices are those that invest most in training and have the most highly skilled workforce. Skilled tradespeople are in great demand, and Canada is not training sufficient numbers of people to meet this demand. This shortage could significantly limit our economic growth in the future.

RESPONSIVENESS OF OUR POST-SECONDARY INSTITUTIONS

INNOVATIONS IN EDUCATION SUCH AS E-LEARNING HAVE THE POTENTIAL TO DRAMATICALLY EXPAND THE ACCESSIBILITY OF POST-SECONDARY EDUCATION.

With the development and diffusion of effective e-learning practices across Canada and throughout the world, more learners at all stages of life will be able to access more educational opportunities. E-learning can play a role in helping institutions manage growing enrolment pressures and augment traditional teaching methods. It will open access to the best institutions around the world. At the same time it will increase competition on a global scale. The value of e-learning has been recognized in the report of the

to enhance the quality of e-learning and improve access to it³⁴. Seizing this opportunity will require concerted action in the areas of technological investment, professional development and diffusion of best practices.

OUR POST-SECONDARY INSTITUTIONS MUST ALSO ADAPT TO THE MOBILITY OF CANADA'S POPULATION.

Advisory Committee for Online Learning.

Its recommendations emphasize the need

Recent progress toward a coherent system of credential recognition policies and practices among post-secondary institutions can be accelerated to remove constraints on the mobility of students and workers. Many Canadians have valuable skills and knowledge that are often underused and undervalued because these individuals lack formal recognition by employers or education institutions. Canada's limited capacity to recognize skills acquired outside of the formal education system, or in other countries, is a pressing issue for many people and deprives the economy of the benefits from these skills. Recognition of informal and non-credit learning would motivate more adults to build on their skills and would remove a significant barrier to full participation and mobility in the labour market for many Canadians.

34 Advisory Council for Online Learning, The e-learning e-volution in colleges and universities, 2001.

E-learning

Athabasca University has been delivering education from a distance since 1970, making increasing use of elearning. Current enrolment is 20,000 students. The results of a recent survey indicate that the university compares very favourably to its traditional Alberta counterparts in terms of student satisfaction with course content and instructors.

COMMUNITY COLLEGES ARE
WELL PLACED TO RESPOND TO
THE SKILL DEVELOPMENT NEEDS
OF BUSINESS, INDUSTRY AND THE
PUBLIC SECTOR.

The regional presence of colleges and their strong emphasis on vocationally-oriented curricula make them well positioned to address many of Canada's skills upgrading challenges. They offer services geared to adults, such as jobrelated curricula, distance learning, and flexible and short-term courses. Building on these existing services, Canada's network of colleges is well positioned to provide even better learning opportunities to the adult workforce.

3.2 WHAT WE ARE DOING NOW

Provinces and territories provide essential support to post-secondary education through student financial assistance programs, infrastructure investments, and support for ongoing institutional operations. The Government of Canada assists provinces and territories by providing block funding through the **Canada Health and Social Transfer** (CHST). The Government of Canada has committed to increasing the CHST by \$21 billion over five years.

The Government of Canada also works closely with provinces and territories in the development and delivery of student financial assistance programs.

The **Canada Student Loans Program** (CSLP), with its interest subsidy, makes post-secondary education affordable for many Canadians. During 1999–2000, the CSLP provided grants and loans to approximately 450,000 Canadians. The

CSLP is fully portable across Canada to ensure that students have the opportunity to study in the province or territory of their choice.

The Government of Canada and the provinces and territories that participate in the CSLP continue to work together to simplify loan programs for students. The Integrated Student Loan Agreements that Saskatchewan and Ontario have signed with the Government of Canada are an example of governments working together to support people in developing their skills.

The Government of Canada also provides grants and scholarships to help those in need access post-secondary education. **Canada Study Grants** are offered to students with dependants, persons with disabilities, part-time students with a high level of need and women in selected doctoral programs. In 1999–2000, more than 64,000 students received a Canada Study Grant, including 4,500 students with disabilities and 54,340 students with dependants.

Canada Study Grants

The 2001 Federal Budget has improved support for persons with disabilities who pursue higher education by increasing the maximum grant to cover exceptional costs associated with disabilities from \$5,000 to \$8,000. In addition, some students with disabilities may find that the maximum student loans available are not sufficient to meet assessed needs. In these cases, a supplementary grant of up to \$2,000 per year will now be provided. These enhancements to the **Canada Study Grants Program** will help address the higher expenses of students with disabilities.

The Government of Canada provides approximately \$290 million per year for First Nations and Inuit post-secondary education.

The Government of Canada provides financial assistance to provinces and territories for minority-language education and second-language instruction under the Official Languages in Education Program.

The Government of Canada's \$2.5 billion investment in the **Canada Millennium Scholarship Foundation** gives approximately 100,000 eligible students up to \$3000 each year, for a total value of \$300 million per year.



Canada Education Savings Grants encourage Canadians to save for their children's post-secondary education by paying grants of up to \$400 per year to beneficiaries of **Registered Education Savings Plans**.

The Government of Canada has significantly expanded its education and tuition tax credits, and has introduced carry-forward provisions to allow students and families to claim more of their post-secondary education-related expenses.

As an initial step towards helping universities and colleges hire faculty in the international marketplace, the Government of Canada has recently removed its restrictions on international hiring by no longer requiring that positions be advertised domestically before they are advertised internationally.

The Government of Canada has also provided funding to support research and innovation in post-secondary educational institutions, including the following initiatives:

- endowments through the Canada
 Foundation for Innovation;
- establishment of five **Genome Canada** science centres;
- establishment of the Canada Research Chairs program;
- increased funding for research granting; and
- creation of the Canadian Institutes
 of Health Research within the
 research granting-council system.

These investments are already helping to build the more innovative economy that is crucial to growth, prosperity and enhanced job opportunities for Canadians.

Governments have worked together on assessing post-secondary education results through initiatives such as the Council of Ministers of Education, Canada Report on Public Expectations of Post-Secondary Education in Canada. Further research into the profiling of post-secondary education activity is helping to better monitor the labour market outcomes of graduates, as well as to identify potential barriers and motivations to skill development and acquisition. It will also contribute to understanding what works in the learning practices of youths and adults.

Through **Skills Canada** and the **Canadian Apprenticeship Forum** the Government of Canada works in partnership with provinces and territories, employers, educators and labour groups to promote trade and technical careers as a first choice career option for Canadian youth. In addition, the Government supports apprenticeship programs by providing income support for participants in those programs under the **Employment Insurance** program.

3.3 WHAT WE NEED TO DO

CANADA NEEDS MORE PEOPLE
COMPLETING EDUCATION
THROUGH COLLEGE, UNIVERSITY
AND APPRENTICESHIP LEARNING.

This requires us to encourage and support participation by minimizing financial and other barriers for students from low- and middle-income families.

The post-secondary education system itself needs to be strengthened and made more responsive to ensure that it can accommodate additional students, and

deal with new challenges and opportunities, such as e-learning.

The Government of Canada proposes the following overall national goal and specific milestones:

All qualified Canadians have access to high-quality postsecondary education.

Specific milestones for measuring progress toward this goal should include the following:

- one hundred percent of high school graduates have the opportunity to participate in some form of postsecondary education;
- over the next decade, 50 percent of 25–64 year olds, including an increased proportion of individuals from at-risk groups, have a postsecondary credential (up from the current 39 percent);
- over the next decade, the number of apprentices completing a certification program doubles (to 37,000); and
- admission of Masters and PhD students at Canadian universities increases by an average of 5 percent per year through to 2010.

Achieving this national goal and these milestones will require gaining a better understanding of the links between the learning outcomes of graduates and their transitions into the labour market; and making information about skills, learning, and career opportunities more readily available to students.

3.4 HOW THE GOVERNMENT OF CANADA COULD CONTRIBUTE

In the December 2001 Budget, the Government of Canada announced measures to improve support for apprenticeship programs. These measures include changes to the Employment Insurance rules with respect to the two-week waiting period for apprentices, and a tax deduction for the initial extraordinary cost of tools needed by vehicle mechanics. The Government also announced changes to the Canada Study Grants to better support students with disabilities. The Government will consider additional actions in a number of areas related to post-secondary education.

The following actions will be discussed with provincial and territorial governments and with stakeholders:

MAKE POST-SECONDARY EDUCATION MORE FINANCIALLY ACCESSIBLE TO LOW-INCOME CANADIANS

The Government of Canada will work with provinces and territories to ensure the effective implementation of the changes to the **Canada Study Grants** for students with disabilities. The Government will also discuss further improvements to student financial assistance to better support students in need and to encourage them to enrol in post-secondary education.

ENCOURAGE LOW-INCOME TO MODERATE-INCOME CANADIANS CURRENTLY IN THE WORKFORCE TO PARTICIPATE IN POST-SECONDARY EDUCATION BY "LEARNING WHILE THEY EARN"

The Government of Canada will discuss improving existing student financial assistance programs to help working Canadians upgrade their education through part-time study. The objective of these discussions will be to explore how to provide low-income to moderate-income adults with the means to advance their skill and knowledge levels while continuing to earn a living.

FACILITATE MOBILITY AND ACCESS TO POST-SECONDARY EDUCATION FOR ADULT LEARNERS AND STUDENTS

The Government of Canada wishes to explore with provinces and territories how best to enhance the mobility of students and adult learners by facilitating the transfer of credits among institutions, and the recognition of prior learning and experience.

ENCOURAGE CANADIANS TO LOOK TO SKILLED TRADES FOR EMPLOYMENT

The Government of Canada will discuss with partners possible means of encouraging more Canadians to consider working in the skilled trades.



BUILD ON THE EXPERTISE OF COMMUNITY COLLEGES

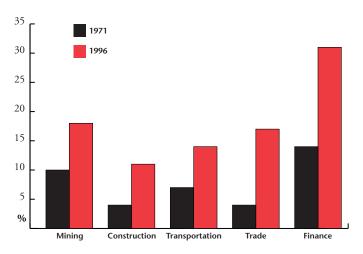
The Government of Canada will explore how to help support the important role played by community colleges in equipping Canadians with the skills they need for the future. The Government of Canada will also discuss with partners and stakeholders how best to increase the number of highly qualified people available to drive innovation in Canada's economy. The companion paper from Industry Canada outlines a number of possible initiatives to better support graduate and postgraduate studies. These initiatives include providing financial incentives to graduate students, doubling the number of postgraduate fellowships provided by the granting councils, and establishing a cooperative research training program.

All of these proposals are part of an integrated approach by the Government of Canada to support innovation, research performance and increased access to post-secondary education.

To remain competitive and keep up with the accelerating pace of technological change, Canada must continuously renew and upgrade the skills of its workforce. We can no longer assume that the skills acquired in youth will carry workers through their active lives. Rather, the working life of most adults must be a period of continuous learning. Having the skills and learning that employers demand can open the door to better jobs and a better standard of living.

Skill Requirements Keep Rising Across All Sectors

Knowledge and Management Jobs as a Share of Total Employment, 1971-96



Source: Lavoie, Roy, and Therrien, Applied Research Branch, HRDC

BUILDING A WORLD CLASS WORKFORCE

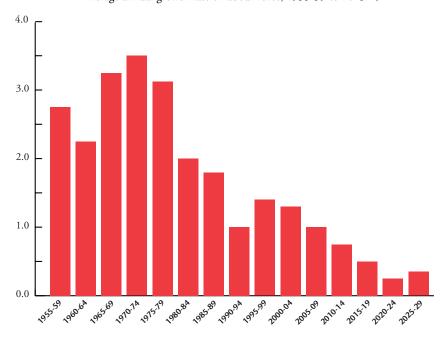
With 50 percent of the workforce of 2015 already in the labour market, and a smaller projected youth cohort, Canada must take action now to ensure we can meet the skills needs of the economy³⁵. Efforts to ensure that we have enough skilled workers in the future will need to focus on increasing the participation of those who have been excluded, as well as attracting skilled immigrants. And we must provide ongoing opportunities for workers to improve and upgrade their skills and acquire new ones to meet the changing skills demands of the new economy.

broad-based, accessible and comprehensive adult learning system must be a prominent feature of the country's learning infrastructure. This system must draw on Canada's formal post-secondary education resources universities, colleges, technical institutes, private training institutions apprenticeship programs - and also on the efforts of employers and unions. It must help adults develop both jobspecific skills and foundation skills, such as literacy and numeracy, which are critical prerequisites to further learning.

35 Based on Statistics
Canada historical data.
Projection from
Applied Research
Branch, Human
Resources Development Canada, using
the demographic
model PMEDS-D.

Labour Force Growth Will Slow

Average annual growth rate of labour force, 1955-59 to 2025-29



Sources: Historical data from Statistics Canada; projection from Applied Research Branch, HRDC, using the demographic projection model PMEDS-D

4.1 WHERE WE ARE NOW

CANADIANS RECOGNIZE THE NEED TO CONTINUE DEVELOPING THEIR KNOWLEDGE AND JOB SKILLS.

However, adult learning in Canada is not expanding fast enough to meet the needs of a knowledge-based economy. The proportion of adult Canadians participating in workplace training has been stagnant since the early 1990s. According to the OECD, the participation of Canadian workers in formal learning is average compared with other industrialized countries³⁶.

THERE IS A SHARP DIVIDE IN LABOUR FORCE PARTICIPATION RATES FOR LOW-SKILLED CANADIANS AND HIGH-SKILLED CANADIANS.

Lack of literacy skills poses a significant barrier to integration and re-integration into the labour market. Even though Canadians overall have more formal education than ever before, nearly eight million Canadians – more than 40 percent of working age Canadians – lack the basic literacy skills required for successful participation in our rapidly changing economy³⁷. In addition, the very requirements for literacy have changed. What was sufficient in an industrial era no longer equips people for success in a knowledge society.

36 Organisation for Economic Cooperation and Development (OECD), Employment Outlook, 1999.

- 37 OECD and Statistics Canada, Literacy in the Information Age: International Adult Literacy Survey, 2000.
- 38 Statistics Canada, 1996 Census of Canada.

"There is abundant evidence that good literacy skills, along with numeracy and technological skills, are important prerequisites to the productivity and ongoing skills development of Canada's workforce. The impact of this issue must be addressed by both the public and private sectors."

Maureen Cavan, Chair, ABC CANADA National Summit on Literacy and Productivity October 2000

Training for Aboriginal people to support labour market participation

Alliance Pipeline Ltd. struck an agreement in 1997 with the Federation of Saskatchewan Indian Nations to collaborate in training Aboriginal workers for the construction industry. By the end of 1999, 150 individuals had been trained to union specifications, earned union credentials and applied their new skills on the job. The Pipeline Contractors Association of Canada and four craft unions collaborated to endorse and uphold the agreement.

ABORIGINAL PEOPLE OFTEN FACE MULTIPLE BARRIERS TO SUCCESSFUL LABOUR MARKET PARTICIPATION.

These include education-related barriers such as low literacy and a lack of the mathematics, science and computer skills that many employers now require, both in emerging sectors and traditional resource-based industries. Another barrier is poor foundation skills. In addition, for many Aboriginal people living in remote locations, there are limited job opportunities and possibilities for career development. In the workplace, problems may arise from a lack of understanding of cultural differences.

PERSONS WITH DISABILITIES FACE BARRIERS TO FULL PARTICIPATION IN THE LABOUR MARKET.

In fact, their labour force participation rate is half that of the general population. They face a number of barriers to labour market success, including lower levels of education, employer attitudes and behaviour, and a lack of workplace accommodations. Almost one in 14 Canadians in the labour force has some form of disability³⁸.

LOW-SKILLED YOUTH TEND TO HAVE LOW INCOMES, LOW EMPLOYMENT RATES AND LOW JOB STABILITY.

For example, youth who have not completed high school have an unemployment rate of over 18 per cent and an employment rate of 42 per cent. By contrast, youth with university degrees have an unemployment rate of 7 per cent and an employment rate of 74 per cent. Over the past 20 years, as skill requirements have increased, the relative labour market outcomes of youth without education have worsened.

Also, large numbers of recent immigrant families fall below the low-income cut-off level: the proportion rose from 23 percent in 1985 to 39 percent in 1997³⁹.

For all of these groups, labour market success depends largely on the ability to upgrade skills.

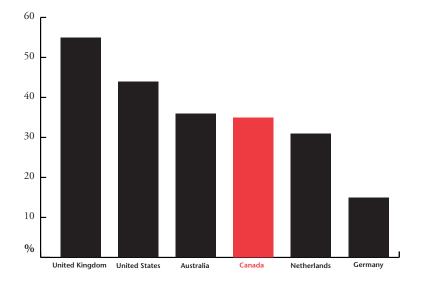
BUSINESSES AND UNIONS

ALTHOUGH FIRMS GENERALLY RECOGNIZE THE IMPORTANCE OF SKILLS IN INCREASING PRODUCTIVITY, INNOVATION, AND COMPETITIVENESS, MANY FALL SHORT IN SUPPORTING THE SKILLS DEVELOPMENT OF THEIR WORKERS.

Canadian firms under-invest in training compared with firms in other countries⁴⁰. In 1995, 34 percent of workers received employer-sponsored, job-related training in Canada, compared with 55 percent in the United Kingdom and 44 percent in the United States. Among indicators of business performance, one of Canada's lowest scores is for skills training⁴¹. A number of factors may contribute to this. Some firms may be reluctant to invest in training out of concern that newly trained

- 39 Statistics Canada, Survey of Consumer Finances, 1986, 1998.
- 40 Organisation for Economic Co-operation and Development, Employment Outlook, 1999.
- 41 Canadian Manufacturers and Exporters, Excellence Gap Review, August 2001.

Percentage of employed adults aged 25-54 participating in employer sponsored formal job-related training, 1995



Source: OECD, Employment, 1999

workers may leave the firm, resulting in a loss of their investment. Workers in small firms are half as likely as workers in medium- to large-sized firms to receive employer-sponsored training. Relative to larger firms, small firms do not have the resources and in-house expertise to invest in skills development and human resources planning. It may also be difficult for these firms to readily obtain the information they need to make decisions about skills development.

Businesses are well positioned to help their employees develop foundation skills at the same time as they develop job-specific skills. Foundation skills are usually obtained in basic education and are needed in almost any job, providing the base upon which other skills are built. They include reading, writing and numeracy, as well as the abilities to work with others and to use computers. They are critical requirements for continuous learning. Workers with solid foundation skills are more adaptable and less likely to be unemployed. However, businesses may be more willing to sponsor training for job-specific skills than for foundation skills.

The World Competitiveness Yearbook 2000 from the International Institute for Management Development ranks Canada 17th out of 47 in a survey designed to assess whether "employee training is a high priority in companies". This puts Canada well behind Sweden, Japan, Norway, Germany, the United States and Australia.

UNIONS PLAY A CRITICAL ROLE IN DEVELOPING SKILLS IN THE WORKFORCE.

Many unions are already engaged in skills upgrading for their members, but all unions could more actively promote workplace learning opportunities. In some sectors, unions are the most effective vehicles through which to organize workforce training. Unions can promote continuous upgrading of workers' skills and work on behalf of employees to help them obtain essential skills training.

CANADA'S CURRENT ADULT LEARNING SYSTEM

DESPITE LARGE AND OFTEN
EFFECTIVE CONTINUING
EDUCATION PROGRAMS, OUR
LEARNING INFRASTRUCTURE
HAS GAPS AND DOES NOT ALWAYS
ADEQUATELY SERVE THE NEEDS
OF ALL ADULTS, PARTICULARLY
THOSE IN THE WORKFORCE.

The ability of working Canadians to make the right learning decisions is hindered by incomplete labour market and learning information for adults. This is often exacerbated by uncoordinated local learning programs and services.

INSUFFICIENT PRIOR LEARNING
ASSESSMENT AND RECOGNITION
CAPACITY IS ANOTHER IMPORTANT
GAP IN OUR LEARNING
INFRASTRUCTURE.

Although many Canadians have skills and knowledge that are valuable, their skills are often underused and undervalued because these individuals lack formal recognition by employers or education institutions. A recent study estimates that

42 Conference Board of Canada, Brain Gain: The Economic Benefits of Recognizing Learning and Learning Credentials, 2001. the economic benefit of recognizing prior learning would be an additional \$4.1-\$5.9 billion in income to Canadians annually⁴². According to the study, more than 540,000 Canadians would benefit from having their prior learning recognized, and this would represent an annual average personal gain of \$8,000-\$12,000. Recognition of informal and non-credit learning would motivate more adults to gain additional skills, and would remove a significant barrier to full participation and mobility in the labour market for many Canadians.

Recognition of Prior Learning

The recognition of prior learning (RPL) is based on the premise that learning can occur in many places: in an academic setting; in the workplace; through life experience; or in a foreign country. It involves the identification, documentation, assessment and recognition of previously acquired knowledge, abilities, attitudes and skills. This recognition can contribute to the requirements of education and training programs, occupational and/or professional certification, or labour market entry and advancement.

THE POST-SECONDARY SECTOR REMAINS A CRITICAL RESOURCE FOR ADULT TRAINING.

The sector has introduced many innovations in an attempt to become more accessible to adult learners – night, weekend, part-time and online courses are now available; courses are more relevant to adult needs; and information is readily obtainable. Nevertheless, colleges and universities need to become still more accessible and flexible, to increase both the quality of their programs and services and the number of adult Canadians using their facilities.

Research, innovation and best practices information on adult learning are not widely available. Many colleges and universities have undertaken useful research and developed important tools for adult learning. The networks to advance and disseminate such knowledge need to be adequately financed and nurtured.

NATIONAL SECTOR COUNCILS
PLAY AN IMPORTANT ROLE IN
ENGAGING INDUSTRY TO HELP
BRIDGE THE GAP BETWEEN ITS
NEEDS AND THE LEARNING
SYSTEM

Through sector councils, the Government of Canada facilitates and supports the collaboration of industry partners – business, workers and learning institutions – to determine how best to address skills needs.

The objectives of sector councils are to define and anticipate skills requirements, promote lifelong learning in the workplace, facilitate mobility and labour market transitions, help workers get the skills and knowledge needed in the changing economy, and foster ownership by the private sector of solutions to skills challenges. Sectoral partnerships are a useful method of meeting emerging skills requirements, addressing skills and labour shortages, and building essential skills in the workplace as a foundation for continuous learning.

The Biotechnology Human Resources Sector Council

is partnering with human resources (HR) planning leaders to provide virtual HR planning services for small- and medium-sized enterprises (SMEs). The **Canadian Council of Human Resources in the Environment Industry** is developing an on-line skills assessment service to help employers, many of whom are SMEs, ensure that their workforce has the skills required by their industry.

The network of national Sector Councils currently covers only 25 percent of the labour market. This represents traditional and emerging industries such as steel, textiles, environment, information technology and biotechnology. Expansion of sectoral partnerships would allow more enterprises to undertake human resources planning. Enhancement of sector-based activities would increase workplace-sponsored training, particularly in small-sized and medium-sized enterprises.

4.2 WHAT WE ARE DOING NOW

The Government of Canada, working with provinces and territories and other partners, has introduced measures to encourage adult learning and skills development.

THE GOVERNMENT OF CANADA AND THE PROVINCIAL AND TERRITORIAL GOVERNMENTS WORK TOGETHER TO ADDRESS LABOUR MARKET CHALLENGES.

Current employment benefits and supports for Employment Insurance (EI) clients are delivered under federal-provincial-territorial **Labour Market Development Agreements** in most provinces and territories. Under these

partnerships, \$1.95 billion is available annually for the delivery of employment benefits and measures. In addition, the territorial federal. provincial and governments have been working together to continually improve labour market information to help governments, employers and workers better understand actual and projected labour market trends, particularly in areas of the economy that have been experiencing shortages of skilled workers. Timely, accessible and relevant labour market information is important because it enables Canadians, including employers, workers, job seekers and educational institutions, to make a range of informed labour market decisions.

The Labour Market Development Agreements are an important and effective partnership for harmonizing efforts to help unemployed Canadians return to work. Programs and services under these partnerships have been successful in getting people back to work. Since they were introduced in 1996, structural characteristics of the labour market have changed significantly: employment remains strong despite the recent cyclical downturn in the economy; skills shortages exist in some areas, while long-term unemployment remains a problem in others; and workers face new and different skills challenges in an increasingly knowledge-based economy. Responding to changing labour market dynamics will require governments to adapt their efforts to help unemployed Canadians. Governments will need to work together to make sure these partnerships continue to respond effectively to the changing skills and labour market challenges facing Canadians.

The Government of Canada invests over \$320 million each year in the **Aboriginal Human Resource Development Strategy**. Under this five-year strategy, implemented in April 1999, the Government has reached agreements with 79 Aboriginal organizations to design and deliver employment programs and services that meet their own particular needs and priorities. This includes specific labour market measures to help Aboriginal people prepare for, obtain and maintain employment, as well as capacity building within communities. It also includes funding for First Nations and Inuit child care, and initiatives for Aboriginal youth and persons with disabilities.

Under the **Employability Assistance** People with Disabilities agreements, the Government of Canada provides \$193 million each year for services provincial programs and designed to help persons with disabilities obtain and maintain employment. The Government of Canada also supports employability for persons with disabilities through the Opportunities Fund, at \$30 million annually. In fulfilment of the 2001 from the Speech Throne commitment to skills and learning for persons with disabilities, the Government of Canada is working with provincial and territorial governments and other partners toward a comprehensive labour market strategy for this group. The overarching goal of the strategy is to improve the employment situation of persons with disabilities, focussing on a coordinated effort to enhance their employability and ensure that they are able to take advantage of existing and emerging employment opportunities.



The National Literacy Secretariat contributes to efforts to improve adult literacy through its partnerships with the provinces and territories, nongovernmental organizations, literacy groups, business associations, labour unions and academics. Since 1988, the federal government has invested over \$330 million on adult literacy. These partnerships improve access to literacy programs, promote public awareness, enhance information sharing coordination, undertake research, and develop learning materials.

Sector Councils facilitate the collaboration of industry partners to help Canadians acquire the skills they need in this new economy. Sector councils have helped expand efforts to recognize prior learning, develop workplace essential skills and adopt national skills standards.

The Government of Canada supports a range of sectoral skills activities including diagnostic studies on workforce trends, infrastructure support for sector councils, sectoral project activities such as the development of labour market information, national skills standards, core curricula, and tools to encourage and facilitate workplace training.

The Textiles Human Resources Council, for example, has pioneered skills development in its industry through its award-winning management internship program. The Canadian Automotive Repair and Service Council has developed a satellite-based Interactive Distance Learning training capability broadcasts high-quality training and education programs to the automotive industry in Canada. To date, there have been 3,000 hours of training-related broadcasting and 22,500 log-ons to the system. The Council's Workplace Mentor/Coach **Program** provides automotive technicians with the skills to train others in their workplace. This program is delivered through community colleges.

In its 2001 budget, the Government announced additional funding for exemplary sector councils and for the establishment of new sector councils in strategic sectors of the economy. This additional support will enable sector councils to further their efforts in developing innovative solutions to the changing skills development needs of their industry and will broaden the impact of sectoral skills activities across the labour market.

The Government of Canada works with provinces and territories to promote mobility in the skilled trades through the **Red Seal Program**. The program is designed to facilitate the interprovincial mobility of skilled workers through the harmonization of trades requirements and certification based on National Occupational Analyses. Through the Forum of Labour Market Ministers, the Government of Canada has worked collaboratively with provinces and substantial territories to achieve compliance with Chapter 7 of the Agreement on Internal Trade (AIT). Chapter 7 of the AIT is intended to enable any worker qualified to work in an occupation in one province or territory to be granted access to employment opportunities in that occupation in any other province and territory. Sustained federal-provincial-territorial cooperation has improved the mobility of workers between jurisdictions in Canada, creating a more efficient labour market.

Prior to the **Agreement on Internal Trade**, engineers had to work in their own jurisdiction for five years before they became eligible to register in another jurisdiction. That condition has since been eliminated, and now any engineer in good standing is eligible for immediate recognition in all provinces.

Several federal departments have for community-based approaches delivering learning-related programs. These involve partnerships with other governments, local and communitybased organizations, and the private sector. Since 1995, Industry Canada's Community Access Program has invested \$195 million to develop public Internet access sites in urban, rural and communities. The Smart Communities Program has provided \$60 million over three years to help fund demonstration projects on communityled, information-based economic, social and cultural development. Human Resources Development Canada has invested \$32 million since 1998 in **Community Learning Networks** which support local capacity building by using online technology for individual learning, community networking and the creation of employment opportunities.

The Government of Canada, as an employer, is committed to the reforms needed for the Public Service of Canada to continue evolving and adapting to ensure that Canada has a public service distinguished by excellence and equipped with the skills needed in a knowledge economy and society.

4.3 WHAT WE NEED TO DO

Building a world-class Canadian workforce will require a sustained national effort on many fronts.

To this end, the Government of Canada proposes the following overall national goal and specific milestones for adult learning:

To ensure Canada's current and emerging workforce is more highly skilled and adaptable.

Specific milestones for measuring progress toward this goal should include the following:

- within five years, the number of adult learners increases by one million men and women throughout all segments of society;
- within five years, businesses increase by one-third their annual investment in training per employee; and
- the number of adult Canadians with low literacy skills is reduced by 25 percent over the next decade.

To achieve this national goal and these milestones we must strengthen Canada's knowledge and information base by building on the country's learning and labour market data collection and research. Information about Canada's economic and labour market performance is essential to monitoring and diagnosing emerging pressures, such as skill shortages and gaps. Equally important is research and information about the effectiveness of interventions to support skills development, learning and work. For example, the Government of Canada has been testing new approaches to help single parents on social assistance become more self-sufficient.

4.4 HOW THE GOVERNMENT OF CANADA COULD CONTRIBUTE

In addition to announcing increased support for sector councils, the December 2001 Budget extended the education tax credit to individuals receiving taxable assistance, including Employment Insurance (EI), for their post-secondary education. The Budget also announced that tuition assistance for adult basic education provided under certain government programs, including EI, would now be exempted from income tax.

The Government will continue to work to ensure a workforce that is one of the best in the world. This will include considering actions in a number of areas to help Canadians pursue learning opportunities and realize their aspirations, and increase our supply of labour. These actions will be discussed with provincial and territorial governments and with stakeholders:

INCREASE THE REACH AND SCOPE OF SECTOR COUNCIL ACTIVITIES

The Government of Canada will work with sector councils to increase the number of sectors covered, as well as to expand human resources planning and skills development within sectors and small-sized and medium-sized businesses.

The Government of Canada will also discuss with sector councils and other partners the development of a cross-sectoral "Workplace Skills Development Gold Standard" to recognize firms that engage in exemplary learning programs and to help bring about cultural change concerning skills upgrading and a more dynamic workplace.



SUPPORT THE DEVELOPMENT AND DISSEMINATION OF KNOWLEDGE AND INFORMATION ON ADULT LEARNING

The Government of Canada will examine ways to further research and support the development and dissemination of knowledge and information about adult skills and learning. This could include conducting applied research, including using community-based models comparable to the Understanding the Early Years initiative; developing and disseminating expertise and information; and developing and sharing learning resources and tools to support skills acquisition by adult Canadians. Areas for work could include: e-learning; the recognition of prior learning; special needs of groups such as persons with disabilities; learning in the workplace, including foundation skills such as literacy; and ways to meet the skills and learning needs of Canadians in their communities. The Government will work with provinces and territories as well as with employers, unions, post-secondary institutions, sector councils, and nongovernmental organizations on these matters.

ENCOURAGE WORKPLACE-BASED LEARNING AND OPPORTUNITIES FOR WORKERS TO "LEARN WHILE THEY EARN"

The Government of Canada will examine with partners possible financial incentives for employers who support essential skills development for their employees. Developing competencies such as literacy and numeracy can help workers remain in the labour force and improve their employment prospects.

In the course of its ongoing discussions on student financial assistance with provinces and territories, the Government of Canada will discuss possible enhancements to student assistance programs for part-time study. This could provide low-income to moderate-income working adults with a stronger incentive and the means to advance their skill and knowledge levels while working.

ENSURE THE BEST USE OF RESOURCES FOR ACTIVE LABOUR MARKET MEASURES

Building on current labour market development partnerships, the Government of Canada is prepared to work with provinces and territories to ensure the most effective use of resources to meet the skills development needs of Canadians in our evolving labour market, while keeping Canadians informed about the results of our efforts.

ENCOURAGE THE PARTICIPATION OF THOSE FACING BARRIERS TO LABOUR MARKET PARTICIPATION

The Government of Canada will consider, in cooperation with provinces and territories and other partners, targeted skills development initiatives to help persons with disabilities, Aboriginal people, visible minorities, individuals with low levels of literacy or foundation skills, and others facing particular barriers to participation in the labour market.

Immigration has long helped to build and define Canada. In addition to promoting economic growth, Canada's immigration policy serves a variety of objectives, including family reunification, humanitarian assistance, and social and cultural diversity.

Immigrants bring with them a diverse set of talents, abilities and skills that help to enrich Canada. Over the next few decades, immigration will play an even greater role. Because of our ageing population and low birth rates, meeting Canada's need for a skilled and adaptable workforce, including enough highly-qualified people for key sectors and industries, will require improved efforts to attract and select immigrants with particular skills.

Ensuring that newcomers to Canada are integrated into the labour market and society is essential if Canada is to benefit from their full potential. Canada also needs to develop a better understanding, particularly among employers, of the diverse array of talents and skills that immigrants offer.

5.1 WHERE WE ARE NOW

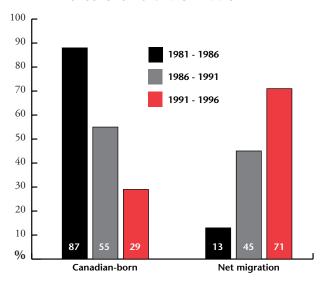
IMMIGRATION CURRENTLY ACCOUNTS FOR MORE THAN 70 PERCENT OF NET GROWTH IN THE LABOUR FORCE.

Between 1991 and 1996, the Canadian labour force grew by 608,000 individuals, of whom 431,000 were immigrants. As a result of demographic shifts, immigrants are expected to account for all net labour force growth by 2011, and for all net population growth by 2031⁴³.

43 Denton, Feaver, and Spencer, Applied Research Branch, Human Resources Development Canada, Immigration, Labour Force and the Age Structure of the Population, 1999.

HELPING IMMIGRANTS ACHIEVE THEIR FULL POTENTIAL

Contribution to Canadian Labour Force Growth: 1981-1996



Source: Denton, Feaver, and Spencer, Applied Research Branch, Human Resources Development Canada Immigration Labour Force and the Age Structure of the Population, 1999.

Of the more than 226,000 immigrants and refugees who were welcomed to Canada in 2000, approximately 60 percent entered through the economic category (one of three broad categories of immigrants to Canada, denoting those who immigrate as temporary or permanent workers)⁴⁴. This compares with 50 percent in Australia and 12 percent in the United States. Of the remaining immigrants, 27 percent came in as family members and 12 percent as refugees.

refugees.

GLOBAL COMPETITION IS ACCELERATING, PARTICULARLY FOR HIGHLY SKILLED KNOWLEDGE WORKERS. CANADA IS NOT ALONE IN SEEKING SKILLED IMMIGRANTS.

Many other developed countries face the same, or even more severe declines in labour force growth. Those countries are becoming more aggressive in seeking skilled immigrants. A number of Western countries, for example, are reviewing their immigration systems to provide a better link to their nations' labour market and economic demands.

44 Citizenship and Immigration Canada, Facts and Figures, 2000

CANADA HAS BEEN SUCCESSFUL IN ATTRACTING HIGHLY EDUCATED IMMIGRANTS.

Recent immigrants to Canada have higher average levels of education than the Canadian-born population. In 2000, 58 percent of working-age immigrants had a post-secondary degree at landing, compared with 43 percent of the existing Canadian population⁴⁵.

HOWEVER, THE LABOUR MARKET OUTCOMES OF IMMIGRANTS ARE POOR AND WORSENING. EVEN WITH HIGHER LEVELS OF EDUCATION AND BETTER SKILLS, IMMIGRANTS ARE NOW LESS SUCCESSFUL THAN CANADIANBORN WORKERS WITH AN EQUIVALENT EDUCATION.

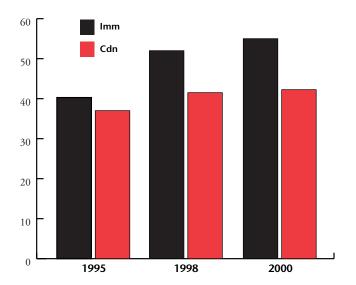
It can take up to 10 years for the earnings of university-educated immigrants to catch up to those of their Canadian counterparts.

Moreover, in 1996 there was nearly a 20 percentage point difference between the employment rate of university-educated, Canadian-born workers (92 percent) and that of university-educated immigrants (73 percent)⁴⁶. These gaps are widening over time, a clear indication of inefficiencies in the labour market integration process that result in immigrant skills being under-utilized.

Poor labour market outcomes have contributed to a rising incidence of poverty among recent immigrant families. The percentage of immigrant families who have been in Canada for 10 years or less and fall below the low-income cut-off level rose from 23 percent in 1985 to 39 percent in 1997⁴⁷.

- 45 Statistics Canada, Canadian Labour Force Survey 2000-2001; Citizenship and Immigration Canada, Facts and Figures, 2000
- 46 Statistics Canada, Census of Canada, 1996.
- 47 Applied Research Branch, Human Resources Development Canada; Strategic Policy, Planning and Research, Citizenship and Immigration Canada; Survey of Consumer Finances. The 1997 figure includes refugee claimants, whereas the 1985 figure does not.

Percentage of Immigrant and Canadian-Born Populations with PSE



Based on population aged 15+



CANADA CAN DO A BETTER JOB OF HELPING IMMIGRANTS ACHIEVE THEIR FULL POTENTIAL.

Although differences in immigration objectives make comparisons difficult, the gap between the earnings of skilled immigrants and those of domestic workers closes more rapidly in other countries, such as Australia. Our slower integration of immigrants means that we will have greater difficulty attracting skilled workers in the future. Ensuring that immigrants are able to fully utilize their skills, soon after arrival, is in the shared best interest of new immigrants to Canada and the economy as a whole.

ENCOURAGING BROAD ACCEPTANCE
OF IMMIGRANTS IN CANADIAN
SOCIETY IS CRITICAL BOTH
TO MEETING OUR ECONOMIC
OBJECTIVES AND TO STRENGTHENING SOCIAL COHESION.

Immigrants need better integration and settlement programs to facilitate their successful and rapid integration into our society and our labour market.

PUBLIC AND EMPLOYER AWARENESS AND ATTITUDES ARE KEY TO ECONOMIC AND SOCIAL INTEGRATION.

The attitudes of employers have an important impact on the employment prospects and earnings of immigrants. The majority of immigrants are visible minorities, who may also face barriers similar to those faced by Canadian-born visible minorities.

Any improvement in the labour market integration of immigrants will also improve their social integration. Public and employer awareness and attitudes are increasingly important as immigrants arrive from a diverse range of countries.

THERE ARE SIGNIFICANT ECONOMIC AND SOCIAL BENEFITS FROM IMMIGRATION.

We can maximize the economic and social contribution of immigration to Canada by ensuring that newcomers have the support they need to make use of their skills and education as quickly as possible.

Key determinants of successful integration of immigrants include the following:

- Language fluency levels should be appropriate for the labour market;
- Education higher levels of education mean better performance in the labour market;
- Prior linkages to Canada immigrants who have worked or studied in Canada integrate faster and perform better in the labour market;

- Recognition of foreign qualifications effective processes for assessing and recognizing qualifications can improve access to employment;
- Labour market information relevant, timely and tailored information helps immigrants prepare for the Canadian labour market (before and after arrival);
- Canadian work experience after arrival in Canada, the sooner an immigrant acquires relevant work experience, the better his or her labour market outcomes; and
- Public and employer attitudes positive attitudes are key to promoting rapid integration into the labour market.

5.2 WHAT WE ARE DOING NOW

The new *Immigration and Refugee Protection Act* lays the foundation for a renewed immigration system. The Act reflects a balanced approach between facilitating the selection of immigrants, including highly skilled workers from around the world, and ensuring the health, safety and security of all Canadians.

Since 1990, Canada has welcomed more than 2 million newcomers as either immigrants or refugees. The Government of Canada currently allocates more than \$330 million per year to a range of settlement and integration programs focussed primarily on language training for adults.

Immigration is an area of shared jurisdiction. More broadly, provinces and territories make significant investments in English and French language instruction for immigrant children and other public services used by immigrants. The Government of Canada will continue to

work in partnership with the provinces and territories to help immigrants integrate more quickly and successfully and maximize the benefits of immigration in all regions. In most jurisdictions, the Government of Canada has entered into a framework agreement on cooperation on immigration, a selection-related agreement, or both. Regarding selection, nominee agreements signed since 1998 enable a province or territory to identify a specific number of economic immigrants who will settle in that jurisdiction; under the 1991 accord with Quebec, the province selects most of the immigrants it receives. Under agreements with Quebec, Manitoba, and British Columbia. settlement and integration programs are designed and delivered provincially, with federal compensation.

5.3 WHAT WE NEED TO DO

The Government of Canada proposes the following overall national goal and specific milestones for labour market issues related to immigrants:

To ensure that Canada continues to attract the highly skilled immigrants it needs and helps them to achieve their full potential in Canadian society and the labour market.

Specific milestones to ensure progress toward this goal should include the following:

- by 2010, 65 percent (up from 58 percent in 2000) of adult immigrants have post-secondary education; and
- the income gap between immigrants in the workforce and Canadian-born workers with comparable skills and education is reduced by 50 percent.

5.4 HOW THE GOVERNMENT OF CANADA COULD CONTRIBUTE

A key challenge for Canada is to recruit the skilled immigrants Canada's workforce needs to support innovation, productivity and economic growth.

The Government of Canada will work with provinces, territories, municipal governments, employers and other partners to attract and select highly skilled immigrants. The companion paper from Industry Canada proposes initiatives to ensure that Canada continues to receive the skilled immigrants it needs.

To help immigrants use their skills to their full potential, the Government of Canada will need to work with all of its partners to ensure that immigrants successfully integrate into the Canadian labour market. Issues include facilitating assessment and recognition of foreign qualifications, and promoting awareness of the value of immigrants to employers.

The Government will consider actions which will be discussed with provincial and territorial governments and stakeholders taking into account the sharing of responsibilities under federal-provincial-territorial agreements relating to immigration. These possible actions include:

DEVELOPING AN INTEGRATED AND TRANSPARENT APPROACH TO THE RECOGNITION OF FOREIGN CREDENTIALS

A critical aspect of labour market integration for skilled immigrants is the recognition of their qualifications by Canadian institutions, associations and employers. To achieve this, the Government of Canada proposes to work in collaboration with provinces and territories, regulatory bodies, employers and other stakeholders to develop fair,

transparent and consistent processes to assess and recognize foreign qualifications before and after arrival for those in regulated professions and trades, and those with education and experience in non-regulated professions and trades.

BETTER SUPPORTING THE INTEGRATION OF IMMIGRANTS INTO CANADA'S LABOUR MARKET

The ability to communicate effectively in the workplace is key to successful labour market integration. To this end, higher levels of language training could be offered to immigrants to ensure they are adequately equipped to communicate in the workplace.

Canadian work experience assists immigrants in understanding and adapting to the workplace. By encouraging and assisting employers to hire immigrants, through actions such as internships, immigrants will acquire the experience they need to improve their labour market outcomes and achieve their full potential.

By having access to tailored labour market information and job search assistance before and after arrival, immigrants will better understand the Canadian labour market and thus integrate more quickly and effectively into the labour market.

HELPING IMMIGRANTS ACHIEVE THEIR FULL POTENTIAL OVER THE COURSE OF THEIR WORKING LIVES

We want to examine ways to ensure that Canada has the necessary information and understanding to maximize the labour force benefits of immigration to our economy and society over the long term. These methods could include conducting surveys to build on existing research and studying successful international approaches.

Governments in every jurisdiction, business, labour, not-for-profit organizations and communities are all working to find new and better ways to ensure that Canadians have the tools they need to participate fully in today's knowledge economy and society. Working together we can achieve more, faster.

With this paper, the Government of Canada seeks to engage provinces and territories and other partners in developing and implementing a national action plan on skills and learning for the 21st century. The objective of this dialogue is to achieve a broad consensus on overall national goals, and on the collective actions we need to take. Our skills and learning agenda, together with the companion paper from Industry Canada, will play an important part in our national effort to build an innovative economy and a strong society.

THE GOVERNMENT WILL CONSULT WITH PROVINCIAL AND TERRITORIAL GOVERNMENTS ON ITS PROPOSED ACTIONS AND WILL EXPLORE AREAS FOR COLLABORATION.

Building on the success of federalprovincial-territorial partnerships, the Government of Canada will work with provinces and territories through existing multilateral forums and bilaterally.

Working with provincial and territorial ministries responsible for Social Services, for example, the Government of Canada will explore ways to build on the Early Childhood Development Agreement and continue working toward a comprehensive labour market strategy for persons with disabilities. Through the Forum of Labour Market Ministers, governments could investigate areas for action including literacy, labour market



information, active labour market measures under the Employment Insurance program and foreign credential recognition. Working with the Council of Ministers of Education, Canada, the Government would like to examine ways to improve the effectiveness of student financial assistance and explore how we address the challenge of improving access to post-secondary education and the development of learning indicators.

THE GOVERNMENT OF CANADA WILL ALSO ENGAGE A WIDE RANGE OF PARTNERS AND STAKEHOLDERS IN DISCUSSIONS ON NATIONAL GOALS AND THE ACTIONS NEEDED TO REACH THEM.

For example, the Government will sponsor a series of workshops on "best practices" in areas such as workplace-based skills development, literacy, skilled trades and e-learning.

To keep Canadians informed of progress and ensure accountability, the Government of Canada will work with provinces and territories and other partners to develop measures to track our success and report results to Canadians on an ongoing basis. To guide our joint actions, we will also work together to provide accurate, timely, and relevant data and research.

Arriving at our destination will require a long-term shared commitment. It will require sustained efforts by all governments in Canada and citizens in every region of the country and in every sector of the economy. Canada's greatest strength has always been a talented, mobile, healthy and committed workforce. We must ensure that this remains our strength for ourselves and for our children.