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Mr. Ed Komarnicki

Standing Committee on Human Resources, Skills and Social Development and the Status of Persons with Disabilities

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•(1100)

[English]

The Chair (Mr. Ed Komarnicki (Souris—Moose Mountain, CPC)): Good morning, everyone. We'll get going here shortly.

I'd like to welcome the panel members who will be sharing with us.

We have Margaret Gillis from the Public Health Agency of Canada. I'm looking forward to hearing your presentation.

We have Yves Joannette, from the Canadian Institutes of Health Research, and Jean-Luc Bédard—from Transpol, I'll say, which is a little easier for me than going through the formal title.

We're looking forward to hearing from all of you. After you've presented, we will have questions from each of the members here in the committee. We are scheduled for one hour.

With that, we will start with Ms. Gillis.

Go ahead.

Ms. Margaret Gillis (Senior Director, Children, Seniors and Healthy Development, Public Health Agency of Canada): Thank you very much, Mr. Chair and honourable members. I'm really pleased to be here today to speak to you regarding the health of older workers.

As we all know, older Canadians make a vital contribution to society. We are committed to supporting their health, well-being, and quality of life so they can stay active and involved in their communities.

At the Public Health Agency of Canada, our role is to promote the health of Canadians and prevent and control diseases through leadership, partnership, innovation, and action in public health. While our mandate is not specific to the workforce, we promote the health of all Canadians so they can participate fully in their communities, which includes, of course, the workplace.

Helping Canadians to make health choices is a shared responsibility. We work together with multiple levels of government, with stakeholders, and with researchers in order to encourage a sustained approach to health promotion that's based on the very best evidence available.

An example of this collaboration is seen in the commitment to helping Canadians lead healthier lives, as illustrated through the declaration on prevention and promotion. This declaration was

endorsed by federal, provincial and territorial governments in 2010 and advances a multi-sectoral approach to the promotion of health and the prevention of disease, disability, and injury. The premise of this declaration is that health promotion is everyone's business.

While Canadians today enjoy a healthier life and are able to live longer, many live longer with serious health issues. Recent statistics tell us that 90% of Canadians aged 65 and over live with at least one chronic disease or condition, such as cardiovascular disease, cancer, respiratory conditions, diabetes, dementia, arthritis, and obesity.

The good news is that many of the health challenges facing older Canadian are preventable. That's why the Public Health Agency focuses on health promotion and disease prevention through the life course.

Our goal is to increase the years Canadians spend in good health. The agency does this through our programs that promote healthy living, such as, for example, helping Canadians choose healthier foods and being more physically active. Our efforts to support healthy weights in childhood and to promote positive mental health have lifelong effects in preventing serious chronic diseases.

By promoting healthier living across the life course, we're setting the stage for maintaining good mental and physical health, reducing the likelihood of disease as we age, and promoting participation in the workforce. For example, the agency promotes multi-generational well-being, including supporting parents, grandparents, and caregivers through community-based programs for children and their families.

These programs provide funding to help communities to respond to the health and development needs of pregnant women, young children, and their families facing conditions of risk. They cover such issues as nutrition, infant care, immunization, parenting, and early childhood development. They also include positive mental health and injury prevention.

We have developed partnerships with pharmacies, provincial governments, and local public health units to disseminate a diabetes risk questionnaire called CanRisk, which helps Canadians identify the risk of having diabetes. They can then take appropriate measures to avert or delay the onset of this disease.

Successful interventions in one community can often benefit others. The agency gathers and shares these interventions through the Canadian best practices portal. This web-based portal provides a listing of trusted and credible resources designed to promote health and prevent chronic disease and injury. Ten of the best-practice interventions on the portal provide support for healthy workplaces that can also benefit older adults. For example, there's a program for working adults to improve their dietary habits, and there's a self-help intervention to promote active commuting among employees.

In addition to these initiatives, the agency supports immunization as an effective means to protect Canadians from infectious disease, through outreach initiatives such as the national campaign in the fall to promote influenza vaccination for Canadians, including people over the age of 65, since they are a particularly high-risk group.

• (1105)

We also promote the health of Canadian seniors through the age-friendly communities initiative. The agency works with partners on this initiative, including the World Health Organization, all three levels of government in Canada, seniors' organizations, community groups, and planners.

The age-friendly communities initiative is about engaging older adults and community leaders in the creation of supportive built and social environments. Its focus is on making communities more age-friendly so that more Canadians can age in good health. In turn, good health enables people to continue working.

An age-friendly community provides options for older people to continue to contribute to their communities, through paid employment or voluntary work if they so choose. To promote mental health for older people, we engage with partner organizations such as the Canadian Coalition for Seniors' Mental Health and the National Initiative for the Care of the Elderly to share tools and resources for families and practitioners. These resources help those caring for seniors to recognize risks and warning signs related to depression, delirium, and mental health problems, and offer guidance on how to best manage these mental health issues.

Through budget 2007, the federal government provided \$130 million over 10 years to establish and support the Mental Health Commission of Canada to act as a focal point for mental health issues. In 2012, the Mental Health Commission launched "Changing Directions, Changing Lives: The Mental Health Strategy for Canada". This strategy serves as a non-prescriptive blueprint to guide actions to improve the mental health of Canadians.

The agency is also working to improve Canadian data on the mental health of older Canadians. Specifically, to fill in gaps and knowledge about rates of neurological conditions in Canada, such as Alzheimer's disease, and their effects on individuals, families, and caregivers, we are working with Canada's major neurological charities on a four-year population study of Canadians affected by neurological conditions. The results of this study will be available

next year in 2014 and will help inform the development of programs and services for Canadians living with neurological conditions, many of whom are older Canadians.

Working with partners to promote healthy aging and to prevent and delay the onset of chronic disease, we will continue to take steps towards improving the health and well-being of Canadian seniors.

Thank you.

The Chair: Thank you, Ms. Gillis.

Mr. Joannette, please go ahead.

Dr. Yves Joannette (Scientific Director, Institute of Aging, Canadian Institutes of Health Research): Mr. Chair, and honourable members of the committee,

[*Translation*]

on behalf of the Canadian Institutes of Health Research (CIHR), I would like to thank you for the invitation to speak with you today, and to share with you how the CIHR and its Institute of Aging can contribute to providing evidence to assist you in your reflection on the health dimension of the aging workforce.

[*English*]

The aging Canadian population is characterized by the fact that Canadians will work later in their life due to a number of factors, including financial necessity and the desire to pursue an active contribution to society. But as you've just heard from Margaret Gillis, my colleague from the Public Health Agency of Canada, this situation poses new challenges as aging, even active aging, is frequently accompanied by chronic health conditions. Although these conditions can be controlled by lifestyle choices, including physical activity and medications, they can still interfere with the ability of older adults to participate fully in the workforce. This results in multiple impacts, including the fact that maintaining a working contribution to society is known to favour active aging, by itself. The challenge of the aging population also means that younger workers are increasingly contributing as caregivers to older relatives living with major and complex health challenges.

• (1110)

[*Translation*]

Although these challenges are recognized, the evidence from health research is not always available. It is the mission of the CIHR to provide such evidence. The CIHR was established in 2000 by Parliament as recognition that investments in health and the health care system are part of the Canadian vision of being a caring society.

CIHR's objectives are (a) to excel, according to internationally accepted standards of scientific excellence, in the creation of new knowledge, but also (b) to translate new knowledge into improved health for Canadians and more effective health services and products.

[English]

The Government of Canada is currently investing approximately \$1 billion in CIHR to provide leadership and support to approximately 14,000 of the best researchers and trainees across the country. CIHR integrates research through a unique interdisciplinary structure made up of 13 virtual institutes. One of these 13 institutes is the Institute of Aging. Its mission is to foster the creation and dissemination of knowledge to ensure active aging, as well as to provide the optimal interventions, services, and health systems needed by older adults facing complex health challenges. Through strategic investments and its investigator-initiated programs, CIHR devoted over \$100 million in 2011-12 to research on different aspects of health and aging, ranging from basic biomedical research to patient-oriented research, and from research on health services and systems to social dimensions of aging.

[Translation]

Over the last 12 years, the Institute of Aging has been proactive in ensuring that Canada has the required research capacity to deliver the necessary knowledge related to health and aging. With this research capacity, the Institute of Aging has been engaged in supporting research in priority areas such as cognitive impairment, mobility, and the identification of optimal health services and systems for older persons.

[English]

There have been research efforts in the work, aging, and health domains. Researchers such as Professor Lan Gien, from Memorial University in Newfoundland, have been supported by CIHR to help to better understand the strategies that enhance productive and healthy environments for the older workforce. Professor Peter Smith, from the University of Toronto, studies the impact of physical conditions and depression on the labour market participation of older workers in Canada, with a consideration of gender. CIHR has also put in place a research platform that will contribute to these questions in the coming years: the Canadian longitudinal study on aging, or CLSA. This important strategic initiative will provide evidence and an understanding of the internal and external factors determining aging from mid-life to older age. It includes 11 different universities and a national team of more than 160 researchers and collaborators. CLSA will provide information on the changing biological, medical, psychological, social, lifestyle, and economic aspects of 50,000 Canadians aged between 45 and 85, followed for a period of 20 years. To date, more than 25,000 people have signed up.

Participation in the labour force plays an important role in social functioning and has an influence on successful aging through factors such as income and wealth, self-esteem and social standing, stress and occupational exposures. The CLSA will examine how these and other factors influence health outcomes over time.

[Translation]

As the study evolves, the Institute of Aging will explore ways to make sure that Canadian researchers will receive the support needed to take advantage of this large repository of data to inform important questions and provide the necessary evidence through CLSA's directed secondary analyses, for example. We will also ensure that the resulting evidence will be shared in a timely and efficient manner with the public and policy makers.

• (1115)

[English]

Such planned actions are consistent with the Institute of Aging's newly introduced 2013-2018 strategic plan. This plan is organized around five priorities. The first two priorities are about understanding the life trajectory of active aging, as well as adding life to the later years. Actions will include work, aging, and health issues. The next two priorities are focused on the interventions and the optimal seamless health services and systems necessary to face the complex health challenges that some older Canadians have to live with. The last priority is about the evidence required to inform all stakeholders on how to empower Canadians regarding their active aging, how to best train the health workforce, and how to optimally adapt knowledge transfer for the aging population.

Along with two other CIHR Institutes—the Institute of Gender and Health and the Institute of Musculoskeletal Health and Arthritis—the Institute of Aging is engaged in exploring a new strategic initiative focused on work and health issues. This initiative would put emphasis on the accommodations required for health-supportive workplaces and work environments. This initiative represents a unique opportunity to include all factors, including social, technological, and management dimensions. This is why we already have had encouraging discussions with the Social Sciences and Humanities Research Council of Canada about this initiative.

[Translation]

CIHR and the Institute of Aging consider that health is an important dimension of the aging workforce challenge. The Institute of Aging will make sure that the necessary evidence will be available for governments, policy makers and the aging Canadian population.

Thank you for your attention.

[English]

The Chair: Thank you very much, Monsieur Joanne, for that presentation.

We'll now move to Monsieur Bédard for his presentation.

Mr. Jean-Luc Bédard (researcher-consultant, Commission nationale sur la participation au marché du travail des travailleuses et travailleurs expérimentés de 55 ans et plus): Thank you.

Mr. Chair, honourable members of the committee, the presentation that I'm making today results from my work that was done at the Commission nationale sur la participation au marché du travail des travailleuses et travailleurs expérimentés de 55 ans et plus.

This commission has done its work at the end of 2010 and 2011. We'll move to the workplace now and I'll describe what has come out as a synthesis of the analysis that I submitted to this commission.

• (1120)

[*Translation*]

First, I would like to mention the overall title, which is "Diversité des pratiques, souplesse d'application et importance d'une perspective pragmatique".

Practices in labour organization that are designed to keep employees at work or to bring retirees back to work represent new approaches for businesses, after the wave of early retirements from 1980 to 1990. At the time, that was called "Freedom 55".

Economic cycles, demographics and labour shortages have contributed to the fact that extending working lives is more and more necessary. But that is not achieved under any conditions. Workers will delay their retirement only when it suits them, meaning when the conditions keep the work interesting when compared to total retirement. A number of studies have highlighted the need for flexible work hours and for working conditions to be reorganized with a view to accommodating an active lifestyle in the workplace.

With its foundation in those known observations, this presentation tries to answer the following questions. What are the results of those accommodations? Are there lessons to be learned? In various kinds of businesses, private or public, large or small, what are the main conditions that hinder or encourage employees to stay at work or retirees to return to work?

From the analysis of significant practices found in the literature, and from discussions with players from a number of different workplaces in Quebec, observations, both general and specific, become clear. We identify four general ones.

First, there is a need for a variety of approaches and practices. One-size-fits-all programs do not hurt, but they cannot achieve the same scope, or the same buy-in, that is the result of a multi-pronged approach that operates in parallel in various ways. Examples might be flexible work hours, physical and ergonomic considerations, training plans for experienced workers, training trainers, planning for the next generation, and promoting awareness about the expertise that experienced workers have. A flexible schedule seems to be of critical importance in encouraging people to stay at work.

The second general observation is that communication and collaboration between everyone in the organization is a vital condition for driving the desired change. The challenge in this aspect is that the emphasis must be on "everyone".

The third observation is that the processes we are studying take place in a wider context that shapes the results of the approaches. It is therefore necessary to consider the backgrounds in which the genesis and operation of workplace practices are set. This particularly means the legislation and regulations already in place that encourage, or perhaps limit, the workplace participation of workers 55 and older.

The fourth and last general observation is that business practices designed to keep employees at work or to bring retirees back to work seem to be more widespread in Europe. In Sweden specifically, we

see a much more pragmatic approach, and one that is shared by all. That encourages the establishment of effective programming.

I would now like to present the more specific observations. They are six in number.

First, the variety of dimensions, which I mentioned in the general observations, is manifested in different ways depending on the context, the business and the nature of the workforce.

Second, it may be useful, particularly for SMEs, to engage an external agent in order to implement change. The changes will have enhanced credibility, and, as a result, the acceptance by those involved that the changes are legitimate will also be enhanced. This is key to workplace buy-in.

Third, in the case of SMEs, an external agent may be able to partially make up for the lack of a human resources or staffing department with this objective as its role.

I see that time waits for no man and that I will not be able to cover everything. I had some statistics about the significance of SMEs to the Canadian economy.

This particular observation takes on even more importance when we consider that SMEs with fewer than 50 or 100 employees often have no human resources department. So the person running the SME is the one who, among all the other functions, manages retirements or creates the initiatives that will keep, or not keep, employees on the payroll.

Additionally, experienced workers are often recognized for their loyalty, their commitment to the success of the business and their trustworthiness. An example is in customer service. Those characteristics make them all the more attractive to employers because they are those for which young workers, especially those in generation Y, are often criticized. I do not want to generalize or point fingers in the slightest; the comment is not mine, but it is often heard. This combination of circumstances could help to reduce the discrimination that experienced workers often suffer and that, paradoxically, they often perpetuate, especially after the loss of a job.

The final specific observation is that, at the intersection of professional life and family life, a concept mentioned in other presentations, major changes are taking place because of the increasingly healthy life expectancy and the role of older family members. Both public authorities, through their legislation and their control mechanisms, and employers and employee representatives desirous of making it easier to stay at work, must be aware of these aspects and prepare for accommodations as a result.

Finally, beyond the observations, both general and specific, we must deal with the realities of the business context and any possibilities of keeping employees at work or bringing retirees back to work that are provided in forms that are sufficiently interesting to achieve buy-in from experienced workers. They vary greatly depending on the size of the business and its nature; for example, if it is engaged in manufacturing or in services, or whether it is in the public or private sector. In that context, I am thinking about retirement programs that must be considered in terms of inter-generational fairness. We must consider what awaits the younger generations and ask ourselves if it is appropriate to allow the accumulation of several retirement schemes.

One of the main challenges in encouraging participation in the workforce will be to account for both those specific factors and the needs of employers, employees and their representatives when the tools are being designed and put to work.

Thank you.

• (1125)

[English]

The Chair: Thank you for that presentation, and for sharing your general and specific observations with us. I certainly resonates, I suppose depending more or less on where we are in the continuum.

We will now start a line of questioning with Madame Boutin-Sweet.

Go ahead.

[Translation]

Ms. Marjolaine Boutin-Sweet (Hochelaga, NDP): Thank you, Mr. Chair.

I thank the witnesses for being here with us.

Welcome, Mr. Bédard. You are the only one I had not met yet. My first question will in fact be for you.

I am going to talk about workers of 50 years or more, rather than those of 55 years or more. Indeed, as soon as the zero becomes a five, that seems to be very significant in the minds of people and employers.

When a plant or a mill closes, very often, the older employees—that is to say those of 50 or more—don't have the necessary skills to take on another type of job, and don't even have basic computer skills or literacy, and so forth.

Continuous training, including basic skills, provided within a business during a person's entire career could be one solution, if that person requests it, of course.

I would like to know how that could be done. Could the federal government do something in that regard? Do you have any thoughts on a possible cooperative effort involving the government, employers, workers and the unions? Do you have any suggestions to make in that regard?

Mr. Jean-Luc Bédard: Thank you. Your question is very interesting.

One of the recommendations of the national commission was that certain changes be made to the employment insurance program in order to ensure more training opportunities for experienced workers. That is one possibility.

In addition, several organizations pointed to the importance of making people more aware of the benefits of keeping experienced workers on the job. I skipped that part of my presentation, but the fact remains that a varied group of Canadian, European and international organizations have pointed to the importance of giving greater recognition to those skills and encouraging continuous learning.

• (1130)

Ms. Marjolaine Boutin-Sweet: Do you think that type of cooperation would be useful?

Mr. Jean-Luc Bédard: Absolutely.

Ms. Marjolaine Boutin-Sweet: I'd like to go back to employment insurance. Workers of 50 years or more have trouble finding other jobs. Under the changes that have just been made to employment insurance, after 18 weeks, the person will be forced to accept a job that pays 80% of his or her salary.

Do you think that that encourages people of 50 years and more to go back to the labour market? Don't you think that this makes their life more difficult?

Mr. Jean-Luc Bédard: I am not an employment insurance expert, but from the perspective of a researcher, I assume that this type of personal experience does not promote re-entry. It would be preferable to have an employment adjustment program for workers, comprising for instance training and a flexible offer based on the skills needed by experienced workers who lose their jobs.

Ms. Marjolaine Boutin-Sweet: Employment insurance could no doubt be useful on several levels.

Mr. Jean-Luc Bédard: You talked about literacy and basic computer skills. That needs to be looked at, according to the profiles.

Ms. Marjolaine Boutin-Sweet: The idea is to help people of 50 years or more who have lost their jobs to find new, salaried employment more easily that pays more than 80% of their former salary.

Dr. Joannette, you spoke about studies in the health field, but workers who do physical work, and even those whose work is stressful, have more trouble remaining in the labour market as they get older. Has any research being done on that particular aspect?

My question is also for Ms. Gillis.

[English]

The Chair: Thank you, Madam Boutin-Sweet. Your time is up, but we'll give an opportunity for a response to both.

Go ahead, Monsieur Joannette.

[Translation]

Dr. Yves Joannette: I will answer very quickly.

Some research has been done on accommodations that must be made to take into account the changes in physical condition, the quality of attention, cognition and mental health as people get older. There is a lot of information missing. That is why a few months ago, we launched—and this is just a coincidence—a study, intended to lead to a strategic initiative, on the conditions that would encourage workers to stay on the job despite the job requirements that do have an effect on health.

There is a lot of information that we still do not have. We have to acquire more knowledge in this area.

[English]

The Chair: Thank you.

Ms. Gillis, do you wish to make a comment?

Ms. Margaret Gillis: Yes. While we do more broad-based mental health work, there is one piece of work we've done that might be interesting to you. We work with the Canadian Coalition for Seniors' Mental Health to look at national guidelines on seniors' mental health. We looked at the impacts of depression, for instance, which has many different kinds of sources, some of which could well be within the workplace.

In our work on that, we have guidelines on the broad issue of depression for physicians and health care deliverers as well as for families with older members who might be facing these issues.

The Chair: Thank you.

We'll now move to Mr. Butt.

Go ahead.

Mr. Brad Butt (Mississauga—Streetsville, CPC): Thank you very much, Mr. Chair.

Thank you to the three of you for being here today.

I think it's an interesting part of the study to look at the health of Canadians and in particular the health of older Canadians and how that relates to their participation in the workforce. So I think you're bringing an important element to the committee today.

Can you give me a general sense of the general health of the workforce, for those say 50 plus in Canada, who are working full- or part-time? Are they generally in fairly good health, or do we have a lot of people in that age category who are still working and who are dealing with significant health issues at the same time they're holding down a job?

• (1135)

Ms. Margaret Gillis: As I mentioned in my speech, we know that about 90% of people over the age of 65 are facing chronic diseases. So that's a fairly substantive number. The Public Health Agency doesn't keep stats on age groups younger than that specifically. I'm not sure if Mr. Joannette does or not, but obviously in that context we of course want to keep working on ways to keep people healthy. That's one of the reasons we work right across the life course. We know that the biggest impacts often happen in children. So a lot of the work of Public Health involves looking at younger children. Again, we recognize that we have to work right across a lifespan, but that's where the biggest bang for the buck is for long-term health.

I hope that answers the question. That's what we do.

Mr. Brad Butt: Go ahead, sir.

Dr. Yves Joannette: If I could just comment, I certainly agree with these figures. The number of chronic conditions we have to live with, of course, does not diminish with age. It increases. For instance, nearly half of people in their eighties have three or more chronic conditions.

But the fact that someone has a chronic health condition does not invalidate their ability to contribute to the workforce, because we can use a number of strategies involving lifestyle, habits, physical activity, nutrition, and so on to cope with these conditions. Molecules—drugs—can also be used to control these conditions, and if the work environment is a contributing factor to these conditions, then we can facilitate some of these lifestyle activities, including, for instance, physical activities.

The other comment I would like to make briefly is that I think the real first look we will have at all of this longitudinally is through the Canadian longitudinal study on aging, which is starting now. For the next 20 years we'll follow individuals between 45 and 85 years of age, including aspects of their health, biology, cognition, attention, and so on, as well as their environment and their work history and how they contribute to work.

I think we will be getting this information very soon and we will make sure this evidence will be brought to your table.

Mr. Brad Butt: So the number you use is that 90% of people over 65 years of age or older have at least one of these chronic diseases. Do we know if that percentage is any different for those 65 and older who are still in the workforce? Is that number different for people without these conditions, i.e. are there more people working in the workforce who do not have these conditions? I'm trying to get an appreciation of whether, for the people who are continuing to work post-65, one of the major contributing factors to that is their very good health, whether that's one of the main reasons they keep working rather than their choosing or needing to work. I'm trying to drive down that contributing factor around health conditions and whether people with better health are more likely to keep working past 65 versus those who may have chronic health conditions.

I know of a gentleman in my riding who has chronic heart disease at 68, but he is still working. He is working because he wants to, by the way. It's because he enjoys doing the job that he does. But he does have a chronic health condition. Do we have any more definitive numbers on that? Or is it not something you've tracked?

The Chair: You can conclude with those responses.

Please go ahead.

Dr. Yves Joannette: I don't have these numbers. But one thing that is complicated here—because your question is totally relevant and to the point—is that on the other side as well, pursuing a work activity contributes to their facing these chronic conditions. So it has to be disentangled. That's why at this point in time the complex relationship between how being healthy is associated with continued work activity or how continued work activity contributes to staying healthy have not been disentangled, and that's why we support this Canadian longitudinal study on aging.

The Chair: Does anyone else wish to comment on that?

Ms. Margaret Gillis: I think that's the right answer.

The Chair: Then we'll move to Mr. Cleary.

Go ahead.

Mr. Ryan Cleary (St. John's South—Mount Pearl, NDP): Thank you, Mr. Chair. Thank you to the witnesses.

Ms. Gillis, in your opening remarks you talk about how recent stats—which Mr. Butt also just referred to a second ago in his question—tell us that 90% of Canadians age 65 and over have at least one chronic disease or condition. That's 90%.

We've been trying to figure out the number of Canadians who want to work versus the number of Canadians who are forced to work. We are talking about older Canadians. The range, I believe, is between 50% and 70% who are forced to work. Given that 90% of Canadians over 65 have a chronic health condition and that so many Canadians are forced to work for the income, for the cash, because their pensions don't cut it, what does that do to someone's health when they are forced to work with a chronic health problem?

• (1140)

Ms. Margaret Gillis: I'm not sure I'm qualified to answer that. That's a very direct medical question. It would depend very clearly on the circumstances of the individual. So I'm not sure as a public health official that I could give you an answer.

I'm not sure, Mr. Joannette, if you would like to try as well?

Dr. Yves Joannette: Maybe I can comment a little bit. I'll refer to my colleague, Mr. Bédard, to comment on the diversity of the accommodation.

Chronic conditions can be very diverse. They can be physical ones in a physically demanding type of work activity. They can be cognitive, with someone having less ability to pay attention in a job that require lots of attention because they are focused on the computer screen, or the reverse if they have a little bit of physical impairment and have all of their attention.

So it's very complex. But certainly it is true that going to work represents a source of stress, and we know that stress is generally not good. So it could have an impact. However, we would like to provide you with the evidence of these relationships. That's why we need the evidence. But your question is in the right direction: you should be a researcher.

The Chair: Mr. Bédard, if you would like to make a comment, please go ahead.

Mr. Jean-Luc Bédard: I would just like to add that there have been initiatives in workplaces where rather simple solutions are put

into place to alleviate and make lighter the darker side of stress associated with work. For example, there are simple ergonomics to alleviate physical pain, which then renders the pursuit of work easier. There are a number of those initiatives as pilot projects which have then been implemented more widely in big companies, allowing workers to turn more happily towards working longer.

Mr. Ryan Cleary: Mr. Joannette, I have another question for you then. In your response you mentioned evidence of the impact of stress in people who are already suffering from chronic health problems. Is this evidence from the study you mentioned in your opening remarks, the one that includes 11 different universities and 160 researchers?

Dr. Yves Joannette: What I was referring to was already known, let's say, a single relationship. The study I was referring to in my remark is one of the few large studies taking into consideration all of the factors.

But CIHR is already supporting researchers in this country. For instance, Dr. Sonia Lupien in Montreal is doing research on stress and work and has disseminated her research to stakeholders, industry, and small companies, and this relationship between stress and work has already been studied.

Mr. Ryan Cleary: Do you do occupational tracking? I have a more specific question than that.

The Chair: You're just about out of time.

Mr. Ryan Cleary: The people who work in physically stressful industries, such as construction, reach retirement age but say they're forced to work, are they also forced to do physical labour? Are they even capable of doing that considering they spent a lifetime of wear and tear on their bodies?

• (1145)

The Chair: Go ahead with a short comment.

Dr. Yves Joannette: That's exactly the kind of question that will be considered in the big study linking the type of work, the environment—whether urban or rural—and gender. All of these aspects have to be taken into consideration. Unfortunately at this point we do not have a multi-dimensional study looking at all of these aspects together. We have bits and pieces here and there and we suspect there are relationships such as the one you suggest. We need this, and it's coming soon.

The Chair: We'll now move to Mr. Daniel.

Go ahead.

Mr. Joe Daniel (Don Valley East, CPC): Thank you, Chair.

Thank you, witnesses, for being here.

The implication of some of the discussion is that all of a sudden you hit 55 and you've got all of these chronic diseases. Can you actually tell me if there's any research done on how many people are already coming into that age group with some of these diseases? Some of them aren't that difficult in the sense that there are good remedies for them, for example, diabetes. Diabetes is huge in Canada. I'm sure there are many people coming into that age group who are already type 2 diabetics such as me.

Dr. Yves Joannette: I'll comment briefly on your question. It is true. You're right that some of our exchanges in this discussion suggest that something happens suddenly at one point, but of course it's a life-course factor.

Aging starts at birth, as it is, and there's a difference between the aged and aging. We are preparing for active aging even when we're kids. For instance, if we have concussions playing hockey, they could be associated later in life with increased susceptibility to developing Alzheimer's disease.

You're right: these figures were only snapshots of those at ages 55, 65, and 85, but this is a long, life-course perspective.

Mr. Joe Daniel: As a little follow-up to that, we've done a lot of studies and we can see a lot of good work that you and the researchers have done on people in the workforce and how they get into the workforce, etc. Have there been any studies on people reaching these age groups and deciding voluntarily not to work, and comparing their lifestyles and disease conditions with those who actually have an objective in life and get into the workforce, who actually look forward to getting up and going and doing something?

Dr. Yves Joannette: Can I simply say that the Canadian longitudinal study on aging is going to pose this exact question. We're not choosing people who are working. In fact we're not choosing; it's population based. Maybe some of you have already received a phone call to be part of that study. It's random in the population.

Given that 50,000 will be involved, we will end up with a number of individuals who will have decided exactly what you describe. Because of all the measures that are taken in that study following people for three years, inviting them to the data collection centres, taking a little bit of blood, looking at their grip, at their physical health, their bones, and so on, this is how we will know if there's something different here.

You're totally right that this is a very important question to be answered.

The Chair: Does anyone else wish to comment?

Go ahead, Mr. Daniel.

Mr. Joe Daniel: Just following on from that, do you feel there are any additional non-monetary initiatives that we as a government at the federal level could take and put into place to address existing barriers for people in the older persons category, if you wish—things the government could do that would actually make it easier for people to get some work, whether it be full time, part time, or whatever?

Ms. Margaret Gillis: I think there are a number of initiatives we're already undertaking that work towards that, because the big impacts on health, of course, are healthy eating, physical activity,

and some of the broad measures we are already involved in with our eating guides and our physical activity programs, which we promote both for older people and for families and young children as well.

I think we have made some specific investments already in disease-specific strategies like the strategy for cancer control, the partnership against cancer, the Canadian diabetes strategy. So there has been a lot of work done in terms of looking at ways to keep Canadians healthy in the broad sense through public health. Of course the other side of this is the health care system, which also works to keep people working.

● (1150)

Dr. Yves Joannette: I'll just mention that we should never forget, as well, the built environment. That's very important, because the built environment is determining some of the ability to maintain mobility and to have access to work.

Canada has a good track record. The World Health Organization recognizes the leadership of Canada in age-friendly communities, but more work has to be done and more implementation. I would imagine that through the Société canadienne d'hypothèques et de logement building codes, for instance, could facilitate this.

The Chair: Thank you, Mr. Daniel.

Did you wish to make a remark, Monsieur Bédard?

Mr. Jean-Luc Bédard: Yes, please.

As I mentioned before through another question, there's also the question of vocational training in the workplace and also the occasion for experienced workers to transfer their knowledge as experts in the workplace.

Of course if they are fired or if a plant closes, that expertise may not be pertinent anymore, but there are a lot of possibilities through vocational training to rechannel their potential. A lot of them are willing to go further, whether by personal motivation or also financial....

The Chair: With that we'll move to Mr. Cuzner.

Go ahead.

Mr. Rodger Cuzner (Cape Breton—Canso, Lib.): Thanks very much, Chair.

I'm going to veer off just slightly but tie it in with something Ms. Gillis shared with us, because I respect the insight of the panellists we have today on this.

As many challenges as we have today, your comment was that you're trying to speak to the younger people, and that's where you will really make a difference in addressing health issues, obesity being the elephant in the room, but it's a big one, and we certainly understand that.

There's ample evidence there. It still shocks me when I open a newspaper and see a class of high school kids and three out of the five are battling a weight problem, and mainly the girls; it's mainly females.

Do you see the challenges you guys are dealing with now only getting worse further down the road?

Ms. Margaret Gillis: It's hard to say. I guess, again, the studies will prove that or not prove that.

I think we recognize now that it's very important to work together to address the issue of obesity, for example, and of course you correctly connected that to chronic diseases. As we know, there are connections between those two.

There is a lot of work going on across the lifespan on that front. I mentioned earlier some of the work on physical activity. The provinces and the federal government agreed to work together on health promotion just for the exact reasons you have raised, which is that all levels of government need to look at ways in which we can assist Canadians to be healthier, and the issue of increasing obesity is an example of why we need to do that.

So there is work under way now to look at ways to deal with interventions on the issue of obesity, most certainly in the Public Health Agency of Canada but really across all three levels of government.

One good example was the one you mentioned, Dr. Joannette, namely the age-friendly city movement, which Canada worked on with the WHO and is now in nine of our provinces as the basis for active aging. It looks at all kinds of issues in keeping people active but also making sure that the infrastructures are there in our communities, so that older people can continue to be active, for example.

Mr. Rodger Cuzner: But you're saying that you're comfortable that there's enough research going on now into the issues that will help us chart the course.

Ms. Margaret Gillis: Yes, I think there's a lot of research going on. Also, I think there are activities going on to try to make that happen across all of our governments.

•(1155)

Mr. Rodger Cuzner: Yes. It would be neat to measure whether or not we're having success in some of that research.

Dr. Joannette.

Dr. Yves Joannette: I certainly appreciate your comment because after decades and centuries of life expectancy increasing around the planet, some experts are saying that in some areas we're probably heading to where we might see a plateau, or even a diminution, a decrease in life expectancy, because of badly managed early conditions in life. This is why at CIHR, the Institute of Aging is associating itself with the Institute of Human Development, Child and Youth Health.

I'm sorry to refer to the Canadian longitudinal Study on Aging again, but it's an important piece to inform us. We are even having discussions on the possibility of adding an intergenerational aspect to this study in order to look exactly at the very early determinants of diseases and health. This puts emphasis on the fact that this is a life-course approach. You don't manage your health and aging at 65 plus one day; it starts early.

Mr. Rodger Cuzner: Yes.

That being said, with the research that's ongoing, you work with a number of stakeholders on various research. Do you guys actually fund research?

Dr. Yves Joannette: The CIHR is the main funding body for all Canadian researchers in university and research centres throughout Canada.

Mr. Rodger Cuzner: Okay, yes.

Dr. Yves Joannette: This is where researchers find their support, and where a billion dollars, more or less, of investment is going, either in research projects initiated by researchers or research projects where we give some indication because we feel that we hear the need, like the one you're expressing today.

The Chair: Thank you, Mr. Cuzner. Your time is up.

I'd like to thank the panel for sharing your their thoughts, views, and suggestions. Certainly there are some complexities that further studies will deal with. Thank you very much.

We'll now suspend for five minutes while we install the next panel.

•(1155)

_____ (Pause) _____

•(1205)

The Chair: I will call the second half of our meeting to order.

I gather we're not getting incoming video. It was there just a moment ago, so it's probably a technical issue that we can deal with.

We have with us here today, from the Université du Québec en Outaouais, Professor Ali Béjaoui. We're hoping to hear from you. We also have Professor Chaykowski, from Queen's University. And we're waiting for a connection with the Council of Senior Citizens Organizations of British Columbia.

What we'll probably do is to start with your presentation, and then when the video conference comes through, we'll bring them in.

I'm not sure who is going to start.

Go ahead.

[*Translation*]

Dr. Ali Béjaoui (Professor, Department of Industrial Relations, Université du Québec en Outaouais): Good afternoon, everyone. Thank you for this invitation.

I am sorry, but I have not prepared a presentation. So I will try to use the 10 minutes to give you a summary of the research on population aging I have conducted over the past 10 years. I may leave you more time for questions.

In 2004, I began working on the issue of population aging. I worked at the Strategic Policy and Management Branch of the Privy Council Office. I helped formulate the OECD recommendations. In 2006, I began another project on labour market flexibility, and I combined the two projects. A report was published by the Centre for Interuniversity Research in Analysis of Organizations, CIRANO. So I will try to summarize the results of that report for you.

When I began my research work on population aging, that issue had three aspects. I will try to briefly explain my contribution to the research projects on population aging.

The best known aspect of population aging is a declining birth rate, coupled with an increased life expectancy—a combination that increases the dependency rate. Fewer and fewer people will have to support a growing number of seniors. This aspect attracts the most attention owing to the impacts on health care spending and pension plan viability.

Another aspect of population aging—which we have been anticipating for years—is the mass retirement of baby boomers from the workforce. That underscores the labour shortage issue those mass retirements can lead to. There are questions on training, mobility and on the way to attract those older workers.

In this whole debate, the aspect that has received the least attention—and this is the aspect I have been studying—is employer response. We were able to analyze the offer thanks to data availability. We asked older workers what could motivate them to remain in the workforce longer. They said they were interested in working conditions and flexible working hours. The offer—in other words, ways to retain older workers—was given serious consideration.

In order to remove barriers and allow people to remain in the workforce longer, employers should also show commitment and implement practices that promote the retention of older workers.

I have looked at the least-studied aspect—which is referred to as the increase in the average age of the workforce. That aspect is not only related to aging. The population is now increasingly educated. People begin working later in their lives. Consequently, they continue working until a later age. Some immigrants begin their career later in life and will consequently retire later. That is all taking place in a service sector that promotes retention. That is why the average age of the workforce has increased. What is happening? This trend creates a pyramid or an imbalance in company workforce demographics. That means that there is a growing number of older workers. This will have an impact on payrolls and costs for employers.

Using data that matches up employers and employees, I tried to determine how companies were responding to that demographic composition of their workforce. How are companies responding to the increase in the number of older workers? They are responding in two ways.

Companies' first option is to use variable pay schemes, a form of wage flexibility—either through individual performance bonuses or team performance bonuses—in order to avoid seniority-based wages. That is a form of flexibility companies are trying to establish to manage their payrolls.

Another option is the use of part-time, temporary and self-employed workers. That is another form of flexibility—called numerical flexibility—that helps reduce payrolls.

• (1210)

It is clear that, as the proportion of older workers increases in a company, the use of part-time workers increases as well. We can say

that part-time work is not a problem because, on the one hand, it helps companies adjust to a turbulent context and, on the other hand, it allows older workers to combine work and phased retirement, young people to combine work and studies, and women to combine work and family responsibilities. So it seems that flexibility is not a bad thing in itself and that it helps satisfy the needs of employees and employers.

However, when we consider it in a life-course perspective, over the long term, that flexibility can influence access to training and social benefits. It can also affect the accumulation of pension funds. Flexibility can have long-term consequences in those areas.

Therefore, I have come to the conclusion that there are two kinds of flexibility. Employers seek flexibility by using an increasingly flexible labour force composed of part-time, temporary and self-employed workers. However, that is not the kind of flexibility employees are looking for. They want flexibility in terms of working hours and working conditions. How can a balance be struck between those needs? That is the challenge in terms of public policies on labour.

The European experience shows that addressing that flexibility issue provides an opportunity not only for seniors, but also for the general population. I will give you an example. Older workers need flexibility, but young people are also increasingly seeking that flexibility, as are women. It is no longer so much an issue of work-family flexibility, but, above all, work-personal life flexibility. Greater focus should be placed on labour market transitions. In addition, we want to know what the effect of that flexibility is on labour market exclusion.

Let's take for example the transition from school to the labour market. If a policy aims to determine whether immigrants need certain qualifications to integrate the labour market, the risks or obstacles involved should be identified. If the problem stems from a lack of qualifications, our graduates also need that experience on the labour market to have a successful transition to the workforce. So the problem stems from a lack of labour market experience.

If we want to have a phased retirement policy to help older workers remain in the workforce, why not have the same policy for disabled people? Why not view partial retirement in the same way we view partial disability?

So the current challenge in public policy is to find a way to address risks instead of groups.

Our economy was in a context of labour shortage. All our programs and policies were implemented in that context. I am trying to elevate the debate. Employers want to retain workers. They have established defined benefit pension plans. The seniority principle was used to retain that labour force. Forced retirement was instituted, and it also helped employers get rid of employees whose performance was unsatisfactory. Mandatory retirement has been abolished so that interested workers can stay, but employers are sometimes stuck with certain employees. I have talked to chamber of commerce representatives. No one is saying this, but people don't want to keep all the workers. In addition, who will take charge of training?

The challenge still consists in considering that notion of flexibility, the demand for flexibility and the importance of training. It is a matter of figuring out how to address these issues in a broader context than that of population aging.

Thank you.

• (1215)

The Chair: Thank you very much, Mr. Béjaoui.

[*English*]

We will now move to Mr. Chaykowski for your opening remarks.

Then we'll have questions from the members of the committee after you complete your presentation, and hopefully we'll be able to get the videoconference from British Columbia.

Go ahead.

Dr. Richard Chaykowski (Professor, School of Policy Studies, Queen's University): Thank you very much, and for the invitation to appear.

My remarks are drawn from and really build upon the federal 2008 report of the expert panel on older workers, for which I was the research director, as well as my own research on older workers and disabilities. I have prepared some remarks, and I think I'm basically going to follow along the lines of those remarks that I prepared.

I hope to provide you with what is primarily a labour market and workforce perspective on the issue of opportunities for older persons. The first question I would pose is, why would we worry about encouraging older workers to stay in the labour force?

First, from a labour market viewpoint, the aging of the labour force translates into a declining growth rate in the labour force. This can lead, of course, to lower growth in total economic output and may even affect output per person as well. The labour supply issue could be quite significant. Best estimates are that immigration alone cannot come close to counteracting the effects of the aging of the population on the labour force, so there are two considerations. First, more older workers can be encouraged to participate in the labour force at all ages on an ongoing basis. Second, older workers can be encouraged to work for more years.

Second, from a personal economic viewpoint, some older workers may need the income, either as a primary source of income or to supplement a pension.

Third, from a personal or social viewpoint, older workers may seek fulfillment from meaningful employment.

I want to turn briefly to some background labour market context for older workers. It's pretty clear that workplaces and labour markets in general are subject to several long-term pressures that are particularly relevant to older workers. First and foremost, of course, is economic globalization and all that this entails. This has created significant pressures on certain industries, causing job losses in such industries as forestry, paper, segments of manufacturing in some primary industries, and is especially relevant in single-industry-town situations. Second is technological change, which renders certain skills obsolete, requiring basic retraining and education. It also requires constant up-skilling, with new skills being required on the

same job, and this is especially a challenge for older workers, who typically have lower levels of education.

I want to turn very briefly to labour market characteristics of older workers.

What is the situation of older workers in the labour market, recognizing, of course, that it changes over time and in relation to overall economic conditions? First, with respect to the configuration of jobs, older workers tend more often than other groups to find themselves in non-standard jobs that are part-time or in contract-type positions. This provides flexibility for older workers to meet other requirements, such as a desire for fewer hours to meet their personal preferences, supplement retirement income, or balance work and other family obligations. However, other older workers may work part time or non-standard work but not be able to obtain full-time employment that they desire.

Second, both the employment rates and participation rates of older workers are by far the lowest in the labour force. They tend to be less than 40%, relative to about 65% to 70% for the workforce generally.

Third, with regard to the unemployment experience of older workers, their rate of unemployment tends to be lower than the overall unemployment rate, but once employed, their period of unemployment tends to last longer and their loss of earnings relative to pre-unemployment earnings levels tends to be larger. That is, the new job the older worker gets typically pays less than the job they just lost.

There are also important differences in unemployment rates of older workers: a lower unemployment rate in urban areas relative to rural, and significant differences across regions of Canada, typically running lower moving from the east to the west.

Finally, I'd like to turn to some of the barriers for older workers. Many older workers have been employed in industries and/or in single-industry areas that are in decline, or they simply experience long-term employment situations. And older workers tend to have less education and advanced training, whereas the younger groups tend to be better educated and trained. So several problems arise.

• (1220)

First, many older workers have skills that are very specific to their previous or long-term job, and retraining may need to be extensive in cases where an entirely new job is the objective.

Second, investing in older workers, in terms of training and education, leaves a shorter period in which to capture returns to that investment, and the fact that many have lower levels of education to start with means that further learning is even more challenging.

Third, older workers may experience bias from employers who simply believe that younger workers are better learners.

Fourth, in seeking jobs elsewhere, relocation costs can be quite high because of home transfer costs, community investments, family bonds, and so forth.

Finally, with respect to aging and disability, the percentage of employed Canadians with a disability rises from just over 3% among those between the ages of 20 and 24 to reach well over 12% by the time Canadians reach the 60 to 64 age range. We can therefore predict with some confidence that a growing share of Canadian workers will have disabilities and will want or need to continue working, notwithstanding the fact that they have disabilities.

If they are to work productively and with equal opportunity, many will need employers to design, adapt, and manage workplaces so as to enable them to overcome activity limitations; in short, they will need accommodation.

In our own research we find that a sizeable fraction of persons with disabilities say they are not receiving the accommodations they in fact need in order to work, and to work productively. Widespread employee reports of accommodation shortfalls are consistent with other research documenting the frequent negative influence of information gaps, stereotyping, economic incentives or disincentives to accommodate these workers, workplace cultural resistance, and so forth related to persons with disabilities.

These considerations point to the need to consider a coordinated national strategy to address workplace accommodation gaps. This approach has the benefit of providing a degree of universal measure that enhances access to effective accommodation across all employees in workplaces, while ensuring there is minimal opportunity for economic disincentives to accommodate. A universal program in this specific area could, for example, take the form of a highly coordinated federal-provincial set of policies that taken together provide fairly complete coverage.

In conclusion, I'd like to identify several overarching themes that emerge regarding older workers.

First is simply acknowledging that there is a meaningful role, or roles, for the federal government in supporting the participation and employment of older workers.

Second is that active support measures for human capital development, including general education and specific training, remain essential to encouraging meaningful work for older persons, and to achieve results on a broad scale government support, at some level, would likely be required.

Third, the federal government should consider, first, targeting policy very carefully, especially in terms of addressing specific barriers to older workers; second, continuing to examine current programs to ensure that they minimize disincentives to participate in the labour force; and third, taking a lead on encouraging accommodation for workers with disability, a problem that will become increasingly important as the workforce ages.

Thank you.

•(1225)

The Chair: Thank you very much for that presentation.

We'll now move to Ms. Charlton.

Go ahead.

Ms. Chris Charlton (Hamilton Mountain, NDP): Thank you very much, Chair.

And thank you to both of you for very excellent presentations. I'm a bit sorry that I have only seven minutes to continue this conversation.

I want to start with a general observation. We have 1.4 million unemployed Canadians right now, and in my home town of Hamilton the youth unemployment rate is twice the national average. So when we talk about the need to retain older workers, I think there are significant regional discrepancies in labour force development, particularly with respect to skills shortages. I think both of you have talked about that in different ways.

Mr. Chaykowski, you just finished by talking about the government needing to be very careful about not creating disincentives for participation in the labour force, yet I think about my sister-in-law, who is a teacher and eligible to retire in January. She wanted to continue teaching until June to finish out the school year, but the school board is actually buying her out because it's cheaper for them to bring in younger teachers. And again, there are a significant number of young Canadians looking for work—which again is perhaps a regional issue.

On retention, I want to talk specifically to you, Mr. Béjaoui, about it because I think you talked about pensions as being both a carrot and stick for retention.

In some workplaces, if you have a defined benefit plan you may well decide that you want to continue to work, because you want to maximize your pension benefits at the end of your working life. On the other hand, if as a government policy you raise the age of OAS eligibility to 67, for example, it's no longer a choice for many people whether they want to continue working; they have to. So in that case pension policy is a stick rather than a carrot.

I wonder if you could comment about pensions in particular with respect to retention.

[*Translation*]

Dr. Ali Béjaoui: When I discussed pensions, I talked about harmony among our policies, programs and the labour market. During the shortage period when the defined benefit pension plan was established, it was consistent with the need to retain workers who had to stay longer. In addition, life expectancy was 69 years of age. The period was limited. Today, those pension funds are expensive for employers who want to retain workers longer.

That used to be a retention tool, but it isn't any longer. We then saw the appearance of defined contribution pension plans, which are more popular today. The risk is transferred from the employer to the worker.

I said that pension funds can be a retention tool, but that was in a context where the mandatory age of retirement was 65, and life expectancy was 69 years. That tool has done its job. Now, it's very expensive for the employer.

[English]

Ms. Chris Charlton: Sorry, I don't mean to interrupt you, but I have a couple of other questions.

Neither of you, when you spoke about older workers, particularly defined older workers. Again, coming from Hamilton, I would certainly agree that we have a lot of industrial workers, a lot of manufacturing sector workers, who lose their jobs in their fifties. For us, we treat those workers as older workers with respect to labour market adjustment programs, that is, for retraining, skills training.

I think, though, there's a difference between workers in their fifties and early sixties, and workers who perhaps see themselves beyond the age of what used to be a normal retirement age, which is 65. I wonder if you might want to reflect on that age qualifier with respect to your presentations.

Mr. Chaykowski.

• (1230)

Dr. Richard Chaykowski: Sure. I can take a bit of a run at that. May I also address the unemployment question that you raised because I think that's extremely important?

Ms. Chris Charlton: Yes, absolutely.

Dr. Richard Chaykowski: But let me start with your second issue. There's no question that the characteristics and the challenges facing individuals who are 50, 55, and 60, versus 70, and in the workforce, are quite different. But that's one of the reasons I also emphasized the issue for persons with disabilities, because people pick up a variety of limitations as they age.

I'm going for another checkup of my eyes; I think I'm going for trifocals now.

So it's just the reality that their situation will be fundamentally different.

From a labour market viewpoint, I don't know that it's particularly productive to try to draw tight lines around 55 to 65, or 65 to 75. We have grown up with a mindset of 65 being some kind of a magic number. I think all of this is very fluid now, and we simply have to get away from those definitions, because they really affect the way we view the policies that we'd like to think about and implement. It's a tougher problem to think about the labour force being more fluid from an age and participation viewpoint, but I think that's where we have to go.

Ms. Chris Charlton: Can I just follow up with a tiny question?

The Chair: Yes, a short question.

Ms. Chris Charlton: Would it be fair to say that it's easier to work with that kind of fluidity in some occupations than others?

Dr. Richard Chaykowski: Absolutely.

Ms. Chris Charlton: Again, you picture somebody in a steel mill who, at 65, may just not be physically able to continue that job. Whereas in our profession, if you look around the House of

Commons, there are lots of people who are well over 65. It's pretty much the norm, actually.

Some hon. members: Oh, oh!

Dr. Richard Chaykowski: Absolutely.

An hon. member: I have a mayor who's 92.

Voices: Oh, oh!

Dr. Richard Chaykowski: I think the variable that you're picking on is the work conditions and so forth that have had a significant impact on that segment of the workforce. So I think that's absolutely a fair comment: it does vary by occupation and by industry, and so forth.

The Chair: Thank you for that exchange.

I did note, Madame Charlton, your rather neat analysis with respect to the carrot and stick at the beginning of this. I might say that, in time, one can get used to trifocals quite nicely.

Some hon. members: Oh, oh!

Dr. Richard Chaykowski: I'm very encouraged by that because I'm a little worried.

The Chair: All right. We'll move now to Mr. Mayes. Go ahead.

Mr. Colin Mayes (Okanagan—Shuswap, CPC): Thank you, Mr. Chair.

Thank you to the witnesses for being here today.

The previous witnesses talked about health issues as far as older workers were concerned. Our committee has been focused on skills training and helping older workers get trained for new jobs so they can continue in the workforce.

But what really struck me as being very interesting is this. Looking at the employer side of this proposition, are there any statistics around, for instance, the absenteeism or sick leave of older workers of 55 plus, and then maybe those over 60, and then 65, so that we can understand just how important the health issue is? Also, how many older workers are not hired, not because of lack of skills but maybe because they're not healthy, or not physically fit to carry on with employment?

Mr. Chaykowski, have you ever looked into that issue in your research?

Dr. Richard Chaykowski: In fact, I'm undertaking research now with a team that is looking not at health issues generally but at specific disability issues. What you find is that there are a certain number of workers who are in some sense prefiltered out of jobs because of their health condition. Usually, it's what we would call a disability from the perspective of having a potential impact on their ability to the job, or perceived impact on their ability to do the job. Once they're on the job, the issue is the extent to which the employers accommodate the disability. If they don't accommodate the disability, that can have a direct impact on the person's performance and subsequent promotions, training opportunities, or even opportunities for other jobs.

Not being an expert on the general health side but having looked at the disability side, I believe it's an extremely important factor. We're in the midst of an aging population and workforce. Since the workforce is being skewed toward the older ages, all of these problems are becoming more accentuated. Now is definitely the time to start thinking about these issues.

• (1235)

Mr. Colin Mayes: Mr. Béjaoui.

[Translation]

Dr. Ali Béjaoui: I would like to add something. I have not worked on the issue of disability as such, but one of the OECD recommendations was to change the perception Canadians have that older workers are absent more often and are sicker. That is one of the recommendations, but not much is actually being done about that age-based and health-based discrimination in hiring practices. However, something must be done if we want to change Canadians' perceptions. Certain studies actually show that it is a myth that older workers are absent more often or sicker. However, those studies are focused on certain sectors. That area should be explored to change the perception not only of the general population, but also of employers.

[English]

Mr. Colin Mayes: Thank you.

Part of that might be because the healthier older workers are getting hired so the outcomes are better. That needs to be looked at when considering whom they're hiring and what their fitness levels are. That's important.

In your studies, have you come across different practices in other countries? Some countries have models that look intriguing for us with respect to policy, and for employers to look at to engage older workers in their workforce.

Dr. Ali Béjaoui: First of all, for older workers, it's about flexible retirement. In Quebec, we see people who do this at the same time. At the federal level, we changed the Income Tax Act to allow people to accumulate their pensions and continue working at the same time. It's something that we recommended in 2004, and it's working. The idea of having this targeted policy could be perceived as being discriminatory because

[Translation]

That can be perceived as discriminatory. The OECD is wondering why—seeing as how flexibility is something many groups want—the issue is not considered in terms of a partial disability. Why do people have to be disabled to have access to flexibility? Why not apply the idea of flexibility both to disabled workers and older workers? That way, the focus would not be placed specifically on older workers as a group.

The same notion applies to training, more or less. That's still being debated. Let's take the example of Nordic countries. They have successfully established a relationship between employment insurance and access to training. Those countries have a centralized industrial relations system where the employer, the government and the union are all at the same negotiation table. The policies and the experience are all there. We have a great deal to learn from those

countries when it comes to policies. However, we must be willing to review our policies.

I will stop there.

[English]

The Chair: Thank you for that exchange. Certainly it's wise to have everybody at the table when designing policy or talking about this issue.

We'll now go to Monsieur Boulерice.

Go ahead.

Mr. Alexandre Boulérice (Rosemont—La Petite-Patrie, NDP): I agree with your last comment. That's good.

The Chair: Well, are there other things we might agree on?

Voices: Oh, oh!

The Chair: We've just started, so we'll see how we end. Let's end on the same note.

• (1240)

[Translation]

Mr. Alexandre Boulérice: Thank you, Mr. Chair.

I want to thank our two witnesses. Their presentations were very insightful.

I would like to begin with a short comment, which will lead to a question. I will follow up on what Ms. Charlton said earlier. At times, I am under the impression that apples and oranges are being compared.

Population aging and the retention of older workers in the workforce constitute a broad issue. However, that issue covers very different realities. For a professional such as a notary, lawyer or chemist, working until the age of 70 or 75 without problems is not difficult to imagine. If you are an astrophysicist and your name is Hubert Reeves, it would appear that you can even keep working until the age of 178. However, it's a whole different story for garbage collectors, factory workers in an assembly line, construction workers or grocery store cashiers, who spend all day on their feet.

Moreover, 70% of Canadian workers have no supplementary pension fund. That means most of them are relying only on public funds, especially Old Age Security. I agree with letting people work longer, but don't you think that should be up to them? Don't you think that should be an opportunity to be seized. Wouldn't you agree that workers should not be forced to work longer only for financial reasons, such as not being able to afford food otherwise?

Dr. Ali Béjaoui: I can answer your question.

As of 2004, workers have been able to choose. The OECD recommendations, be it for Canada or for other countries, included two approaches—the carrot and the stick. The stick consists in forcing older workers to remain in the workforce longer by changing the mandatory age of retirement. The carrot consists in removing barriers. We have adopted the approach that calls for removing barriers, abolishing the mandatory age of retirement and allowing workers to combine work and retirement.

However, there is still a mismatch between jobs and retirements, as you say. There is no need to worry because, once barriers are removed in an economy of professional services, workers will remain in the workforce longer.

In the case of sectors where jobs are eliminated or destroyed, how can we ensure that labour flow without policies for upgrading skills and mobility? The problem in terms of market fluidity still exists. Once again, who will do what and how? Who will define the required skills? Where are the wanted jobs? Where are the eliminated jobs? How can that be ensured? I agree with you in saying that a role needs to be played. That role must come with the chosen approach.

Mr. Alexandre Boulerice: Mr. Chaykowski, do you have anything to say?

[English]

Dr. Richard Chaykowski: Yes, thank you.

If we look back five or 10 years, when people like David Foot started to flag the enormity of the demographic challenge and what that meant for the labour force, I think one of the main motivating factors in worrying about aging from an economics viewpoint was the slowing growth in the labour force, which would slow economic growth as well.

That's a distinct effect from what was raised earlier, the question of pockets of high unemployment, an overall unemployment rate of 7% plus, which is layered on top of the demographic. At the personal level, there's just the issue of choice as an older worker, that someone is 69 years old, is still feeling pretty healthy and wants to top up their pension, or just doesn't want to sit at home. That's the individual choice part.

These are all distinct pieces, I think. They all work together—not always in the same direction, but they're all happening at the same time.

I've never put as much stock in the overall slowing in the growth of the labour force as others, for two reasons. One, I have a much stronger belief in the capacity of employers to substitute capital for labour, in other words technological change. We've all seen many examples of significantly reduced workforces. Employers will make the changes and adapt to the changes required in workforce levels. That being said, it doesn't mean that a macroeconomic problem wouldn't be involved with the slowing of the workforce. But individual employers have a pretty strong capacity to adapt, so I'm less worried about that.

Two, what we're experiencing today at the micro level, and what sometimes clouds the issue, is the idea that we have skills bottlenecks. We have pockets in Hamilton and other areas in eastern Canada or even western Canada. In certain occupations and trades in Alberta, we have high demand or high unemployment rates, depending on the circumstance. These bottlenecks are ongoing problems. We have a relatively high unemployment rate. That doesn't take away from the issue of having to address the needs of older workers in the labour force.

There is one further complication, which is the odds-on bet that we're in for a prolonged period of slow economic growth. This may translate into a prolonged period of relatively high unemployment

compared to, say, the late nineties and 2000s. That being said that still doesn't take away from the need to address older workers in the labour force.

These layers from the macro down to the micro are all in play, and I think it can be a little confusing because sometimes they don't seem to be working in the same direction. I'll be very specific to finish. Simply saying we have a high unemployment rate doesn't necessarily mean that we shouldn't try to attract older workers into the labour force for longer, increase their participation rate, or encourage them to work longer in their careers. They're not mutually inconsistent.

One last point is that I would not advocate widespread or wholesale policy interventions. I think it's extremely important to identify the dysfunction in the labour market and then address the policy at those dysfunctions as opposed to broad-based policies.

• (1245)

The Chair: Thank you for that, Mr. Chaykowski.

We'll now to move Mr. McColeman.

Go ahead.

Mr. Phil McColeman (Brant, CPC): Thank you, Chair.

Thank you, witnesses. This is a great discussion today. I really appreciate your what I would call straight talk and to-the-fact type of analysis.

Like Ms. Charlton, I come from a community where in the late 1980s or the early 1990s we had a 32% unemployment rate because of the demise of the farm implement manufacturing industry. If you were to take any lesson from what has happened since, because we're lower than the national average now—we're down to about 7.1%, I think, in the last statistics—it is that people are very adaptive at no matter what age.

I notice this in my community, especially with what a lot of people would call—and don't take it in a derogatory way—the blue-collar town that we were and in many ways still are. A lot of manufacturing is still on, but that adaptability and your discussion, Mr. Chaykowski, about fluidity, I really like.

I'm really cluing in on that word because rethinking the paradigms, rethinking the things that have been the social norms, is really important I think in advancing the health of Canadians, the health of all workers, and the opportunities that exist. Frankly, as an entrepreneur and business owner throughout my whole life, I think a lot of the responsibility lies at the foot of the employers. I think it does.

I think we have to get them rethinking. I think we have to get them rethinking about persons with disabilities, which has been one of my major passions. Also, obviously, you have senior workers who are getting into that same category of the double categorization—senior and disabilities—but I think it behooves governments and ourselves to know that when we do intervene, we're intervening on a strategic level that's going to be pragmatic and that's going to work, that's going to get to the essence of boots on the ground and is going to work.

One of the initiatives that we introduced and are rolling out right now is the Canada job grant. It offers employers opportunities. It offers government assistance no matter what age, no matter whether you're disabled or full-bodied. No matter what, it offers, in a non-biased way, opportunities. I think you're going to see employers step up to the plate on some of these fronts. I'm not saying it's the end-all and be-all. It may be just the beginning point. Like everything else, it's going to have supporters and detractors, but these kinds of things....

Mr. Béjaoui, in your original comments, your wrap-up statement was on the struggle for public policy. You said that there's this struggle for good public policy on these issues, and that's what we're trying to come to grips with.

I would ask maybe you, Mr. Chaykowski, to say a little more about that blueprint for fluidity. How do governments incorporate that into what is traditionally ideological thinking of the government and of the opposition, and the cut and thrust of politics? How does fluidity work in all of this?

• (1250)

Dr. Richard Chaykowski: I wish I had the answer to that. I have a couple of observations that I hope might help. I am trained as an economist, and we economist types do believe in the power and relevance of market-based solutions.

But I think it's equally important to recognize that markets are imperfect—that's number one—and that there are market failures. That's why I keep emphasizing trying to understand what the market failure is. What is it that the market is not doing? That is usually the impetus or argument for a government intervention by virtue of a policy.

The other thing is that there's no such thing as free markets. We might like to see free markets, but we don't have free markets. We have in some cases what are close to free markets if you go down to the market square and buy your vegetables and you haggle, but generally we have a playing field within which markets function.

We have a legal context, a very important legal context, or a legal infrastructure, if you will, and then we have a government legislative infrastructure. I say all this because there's no such thing as a market without a playing field. It's government that largely sets that playing field. That's important because employers respond to incentives.

So if there is a failure out there in the following sense, which is that the employers are not doing *x*, that they're not employing older workers and they're not training them, that they're not making that investment, it may be well in the interests of the individual employer not to do that, but it may not be in the social interest, and there may be huge social costs associated with that. It may be perfectly rational

and reasonable for the individual employer not to engage in that behaviour, but if enough employers do that, you get some very, very negative social outcomes.

That would be an example of a market failure that would I think call for some kind of a government intervention. In that case, my own sense would be that the best approach is to have a policy that creates incentives: incentives for employers to behave differently.

The Chair: Thank you, Mr. McColeman.

We'll now conclude with Mr. Cuzner, who is just chomping to get into this. I know he has something up his sleeve.

Mr. Rodger Cuzner: I agree with Mr. McColeman that it's been worthwhile. He made a comment about employers wanting to use the jobs grant and step up to the plate. The problem is that they're probably going to be in the on-deck circle for two years at least.

Voices: Oh, oh!

Mr. Rodger Cuzner: You commented, Mr. Chaykowski, on training and technology and how technology changes. I understand that fully. Shepherding at one time was a noble job, but with fences, shepherds were no longer needed—although I know my colleague Ms. Charlton would argue that if they had been organized, they'd still have jobs.

Voices: Oh, oh!

Mr. Rodger Cuzner: But now their jobs would be watching the fences. I'd better put that right in the transcript. I'm only kidding.

Who's doing the training really well? In other studies we've undertaken, we've heard about Bombardier and some of the bigger corporations. It seems to be that the mom-and-pop businesses, the small and medium-sized enterprises, are the ones that aren't able to invest in the training to keep a highly skilled workforce. Are there companies out there that are doing it well that we can use as an example and that are able to train and keep their workforce into their later years?

• (1255)

Dr. Richard Chaykowski: There are any number of them, and I think you've put your finger on it. It often tends to be the larger corporations that have the resources and that are in highly internationally competitive markets. It's pretty clear that whether their workforce is, by normal standards, relatively small and lean or larger, a competitive market will dictate that their employee workforce be highly trained and highly productive. There's an individual incentive for these corporations to make that investment. You have to have the pockets with which to do that.

The classic problem in Canada has been underprovision of training at the firm level. The problem for small and medium-sized firms is partly one of resources to make the investment, but the other major problem, which people were talking about 30 years ago, is poaching. There's very little incentive to engage in significant investment if you think that your investment will be poached by the firm down the road. I remember being asked to talk about recruitment and retention in the oil patch in Alberta years ago. I went out there and I looked at the situation on the ground. The problem was in engineering. These people were all being poached. There is a certain amount you can do in terms of human resource management policies and worker-friendly policies, but at the end of the day, in fine style I guess, my recommendation was to keep paying them more. At the end of the day, the major market factor driving turnover was a very hot competitive external market.

In the meantime, if firms are investing in those workers, they're losing that investment—there's no question about that. It's very difficult to get around that. If you look at the very top, major corporations, whether Bombardier or Vale or any of those kinds of companies, such as PotashCorp, they're now in international markets, so it's not just a matter of losing people to a corporation down the road or in the next province; it's internationally. The nuclear industry is another great example of that. We have people coming in from all over the world to work in the nuclear industry and we have people going elsewhere in the nuclear industry. There is a little micro-example of the same thing in mining engineering.

So it true, I think, that the capacity for employer-based training is better in the large corporations, but the classic problem is poaching.

Mr. Rodger Cuzner: I think we're running low on time here. I want you to elaborate a bit more. You said to stay away from broad-based policy changes. Could you expand on that a little bit and on why you recommend that?

Dr. Richard Chaykowski: By that I mean you should have a policy that is targeted. You can have a big policy or whatever label you want to put it under, but it should be targeting a specific market failure. If you can't identify the market failure and what the policy is supposed to do, then I would say, don't do it. I guess the analogue would be medicine. It's not clear that you should just be taking painkillers if you don't know what the source of the pain is. A painkiller has a generalized kind of treatment effect, if you will. What I'm saying is that if you can't identify the specific issue you're trying to address, you want to be very careful about intervening, because the chances are that you'll get unintended consequences. That's really what I mean by that. It can be a big policy as long as it's targeted at a big problem that is widespread. Otherwise, “targeted small” can be beautiful too.

The Chair: Thank you very much for that exchange. We certainly appreciate your sharing with us and appearing before the committee.

With that, we'll adjourn.

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