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Earnings Incentives for Welfare Recipients: Promising Early Results

Can earnings incentives encourage welfare recipients to get into the paid labour force? The Self Sufficiency Project is attempting to answer that question and thus far, the project is showing promising results. This experiment, launched in 1992, is testing the effectiveness of earnings supplements as an incentive for long-term welfare recipients who are also lone parents to take up full-time, paid work.

Human Resources Development Canada and Statistics Canada are co-operating with the governments of British Columbia and New Brunswick in this experiment - one of the largest of its kind in Canada. By the time the final report is completed in 2001, about 10,000 lone-parent families will have been involved. Administered by the Social Research and Demonstration Corporation, the project focuses on lone parents because research indicates that this group is the most likely to remain on welfare for extended periods of time.

The first group of just over 2,000 lone parents was enrolled between November 1992 and December 1993. They were recruited from a random sample of all lone parents in southern New Brunswick and the lower mainland of B.C. who had received welfare for at least twelve of the preceding thirteen months. Participation in the project was voluntary. Two-thirds of the participants live in B.C., and the remaining one-third are from New Brunswick.

This first wave of participants was randomly divided between a "program group", who are eligible for the supplement, and a "control group", who are not. The supplement is paid monthly to those members of the program group who find a full-time job (over 30 hours per week). Currently, the supplement equals one half the difference between actual earnings and a "target wage" of \$2500 per month in New Brunswick, \$3083 per month in B.C. But there are conditions - the participant must find a job within 12 months of assignment to the program group and the job must pay at least the provincial minimum wage. The supplement terminates three years after the participant begins receiving it. It is hoped that, by the time the supplement terminates, the participant's earnings will have increased to a level where the participant is better off working than returning to welfare.

About a third of those eligible for the supplement left welfare for work.

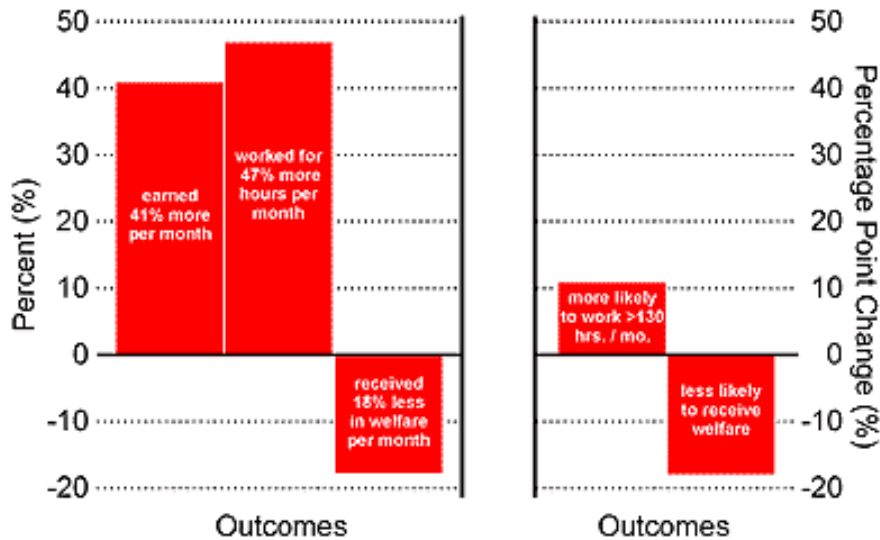
Is the experiment working? It's too early to answer the key question of what happens when the participant stops receiving the supplement, but an initial report shows encouraging results. David Card of Princeton University and Philip Robins of the University of Miami found promising results seventeen months after the assignment of the first group of lone parents to the program and control groups.

About a third of those eligible for the supplement left welfare for work during the 12 months available to them to start their first job. And the members of the first program group significantly out performed their control group counterparts in:

- being engaged in full-time paid employment
- increasing their earnings, and
- reducing their reliance on welfare.

Impact of the Earnings Supplement

Outcomes of Program Group Members
Relative to Members of Control Group



Enthusiasm for the supplement was expressed by the majority of those who have gone off welfare and are receiving the supplement. This positive response is tempered for some by the strain of arranging child care and the loss of time with their children.

In addition, the project is having a substantial anti-poverty effect for those in the program group. The average cost of income transfers (supplement payments plus welfare benefits) paid to those assigned to the program group is currently \$94 more per month than the cost of welfare payments to the members of the control group. But the total income of the participants in the program group is, on average, \$231 more per month than the total income of members of the control group.

But will the Self-Sufficiency Project have the desired long-term results? Will the gains encouraged by the supplement be maintained over time? The supplement will end up costing the government less than welfare payments only if the program group participants do not return to welfare once the supplement ends and continue to earn more than control group members.

The Card/Robins report shows that differences between program and control group members in terms of earnings, hours of paid work and welfare benefits tend to peak just after the expiration of the 12-month window during which members of the program group can qualify for the supplement by obtaining a full-time job. The gap then begins to diminish as members of the control group start to catch up to their counterparts in the program group.

Data shows that, 23 months after the assignment of the first group of lone parents to the program and control groups, the differences remain very substantial. (The proportion of program group members receiving welfare benefits was ten percentage points lower than that for the control group and their average monthly benefits were over \$100 per month lower.) How much further the gap will erode is not yet known.

Look for more results from the Self-Sufficiency Project in 1997.

Projecting Labour Market Imbalances: A Contribution from COPS

Predicting the future state of the job market is now a more informative exercise than ever before - courtesy of COPS.

The Canadian Occupational Projection System, used for occupational forecasting, has been overhauled. In 1994, the Applied Research Branch launched a major project designed to update the methodology, models and products used in COPS. The project is now completed and the new framework is documented in a recent research paper by ARB researchers Daniel Boothby, Wayne Roth and Richard Roy.

One of the main goals of the project was to expand the framework from simply determining employment requirements (the demand side) to a full accounting of both the demand and supply sides of the markets. The state of the job market, specifically future occupational imbalances between supply and demand, can now be projected - providing an essential career planning information tool.

These changes to COPS reflect shifts in labour market policies. Back in the 1960s and 1970s, occupational forecasting tended to support manpower and education planning activities by the government. Although active labour market policies are still thought to be essential for low unemployment and high productivity, policy approaches have shifted toward the production of labour market information and increased reliance on market mechanisms.

Job Futures - an essential career planning tool - makes use of the new COPS framework.

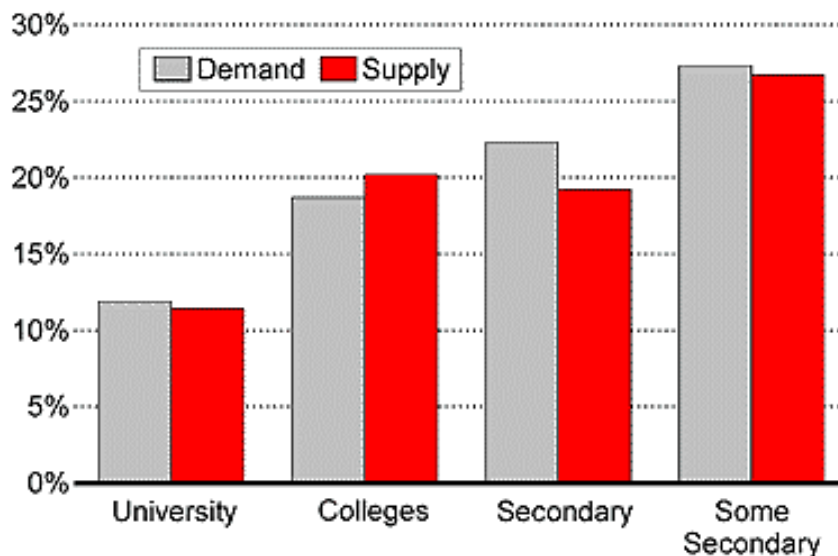
The revamped COPS has produced projections of imbalances between supply and demand. This information forms a major component of the most recent edition of Job Futures, a two volume career counselling product of Human Resources Development Canada. Released in March 1996, Job Futures provides national labour market information in either print or electronic format. Volume One: Occupational Outlooks specifies 211 occupational groups covering all of the jobs in Canada. It details current labour market conditions and provides projections on the changes that may occur over the next five years. Volume Two: Career Outlooks for Graduates itemizes the work experience of recent post secondary graduates of 155 programs of study. It contains projections of job prospects in the next five years for new graduates from these study areas.

The new COPS system was also used by Wayne Roth to prepare a technical paper projecting the imbalances between job openings and the supply of newcomers to the job market over the 1995-2000 period. The projections indicate that - before any labour market adjustment is made - there will be an excess demand for new workers with relatively low skills (with no post secondary education or training equivalent) and a small excess supply of more highly skilled new workers (with post-secondary education or training equivalent). This excess demand for lower skilled newcomers is largely due to the expected recovery in consumption spending over the period. Surpluses will not necessarily translate into unemployment, nor shortages into unfilled job vacancies. Adjustment in wages and salaries, training, inter-occupational labour mobility including displacement of higher skilled workers to lower skilled jobs, and changes in production plans will all contribute to resolve these existing imbalances.

Demand/Supply of Newcomers to the Job Market

By Skill Levels (1995 - 2000)

Employment per year

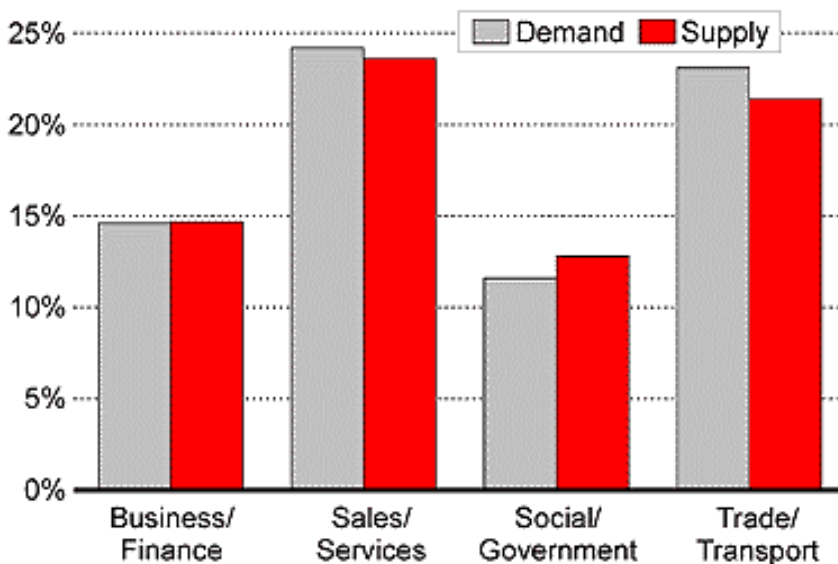


The outlook improves for certain occupations, deteriorates for others. Looking at skill types, Roth projects significant imbalances between the expected requirements of industry and the supply of newcomers. For example, the demand for newcomers in the "Trade, Transport and Equipment Operators" field is expected to exceed supply by some 35,000 workers per year from 1995-2000. On the other hand, the demand for newcomers in the "Social Science, Education and Government Service" occupations is expected to fall short of supply by approximately 12,000 workers per year.

Demand/Supply of Newcomers to the Job Market

For Selected Skill Types (1995 - 2000)

Employment per year



Projecting information concerning newcomers is one thing; turning it into something useful is another. To provide

meaningful information, these projections must be combined with the current labour market conditions - which depend on the overall supply and demand of all workers, not just newcomers. For example, if the initial situation in an occupational group is characterized by a large excess supply of workers, then an excess demand for newcomers over the projection period might just be sufficient to make the overall excess supply smaller, not turn it around completely. COPS comes to the rescue again - assessing these initial conditions across specific occupational groups.

Taking initial conditions into account, the analysis suggests that labour market conditions could improve for lower skilled workers relative to those more highly skilled. In terms of skill types, market conditions could improve in the "Trade, Transport and Equipment Operator" field and deteriorate in the "Social Science, Education and Government Service" occupations.

The new COPS framework also allows for the estimation of the future labour market situation of graduates by program of study. Roth reports that across the three largest post-secondary levels by study area - trade/vocational, community college and undergraduate university - the labour market for trade/vocational graduates will improve, remain roughly in balance for community college graduates and deteriorate for university undergraduates on average over 1995-2000. Keep in mind that these results vary across the individual fields of study.

Labour Market Situation for Graduates

For Selected Programs of Study (1995 - 2000)

Will be Good	Will be Poor
Manufacturing Technologies (T)	Social Services (T)
Food Preparation (T)	Word Processing Secretary (T)
Chemical Engineering Technologies (C)	Protection & Correction Services (C)
Institutional Management (C)	Commercial & Promotional Arts (C)
Electrical/Electronic Engineering(U)	Political Science (U)
Computer Science (U)	Law (U)

T = Trade-vocational; C = Community College; U = Undergraduate University

Notice that projecting improving labour market conditions for lower skilled workers relative to higher skilled ones is not incompatible with the view that a large proportion of the future new job openings will require post secondary schooling and, therefore, will demand higher skilled workers. Indeed, the COPS projections show that more than half of the new jobs that will be created over the 1995-2000 period will be for high skilled workers. Nevertheless, the analysis of future demand and supply flows suggests that the lot of lower skilled workers will improve from the conditions prevailing in 1995.

Barometers of Immigrant Success

Immigration has a profound impact on the Canadian labour market. Between 1989 and 1994, immigrants comprised in excess of half of population and labour force growth. The government is striving to ensure that the impact is as positive as possible - both for the immigrants themselves and our economy.

Canada's immigration program consists of three separate and very distinct streams: economic immigrants, family class immigrants and refugees. Unlike the reunification and humanitarian basis of family and refugee-class immigration, the objective of the economic stream is to select immigrants with the skills that will enable them to contribute quickly to Canada's economic and social development. Economic immigrants represented approximately 40% of all immigrants to this country in 1995. The government uses specific measures to assess an economic immigrant's potential for economic success. These measures include:

- "intended occupation" - the field in which the immigrant was trained and intends to work upon landing in Canada (Occupations open to prospective immigrants appear on the General Occupations List, maintained by Human Resources Development Canada.); and

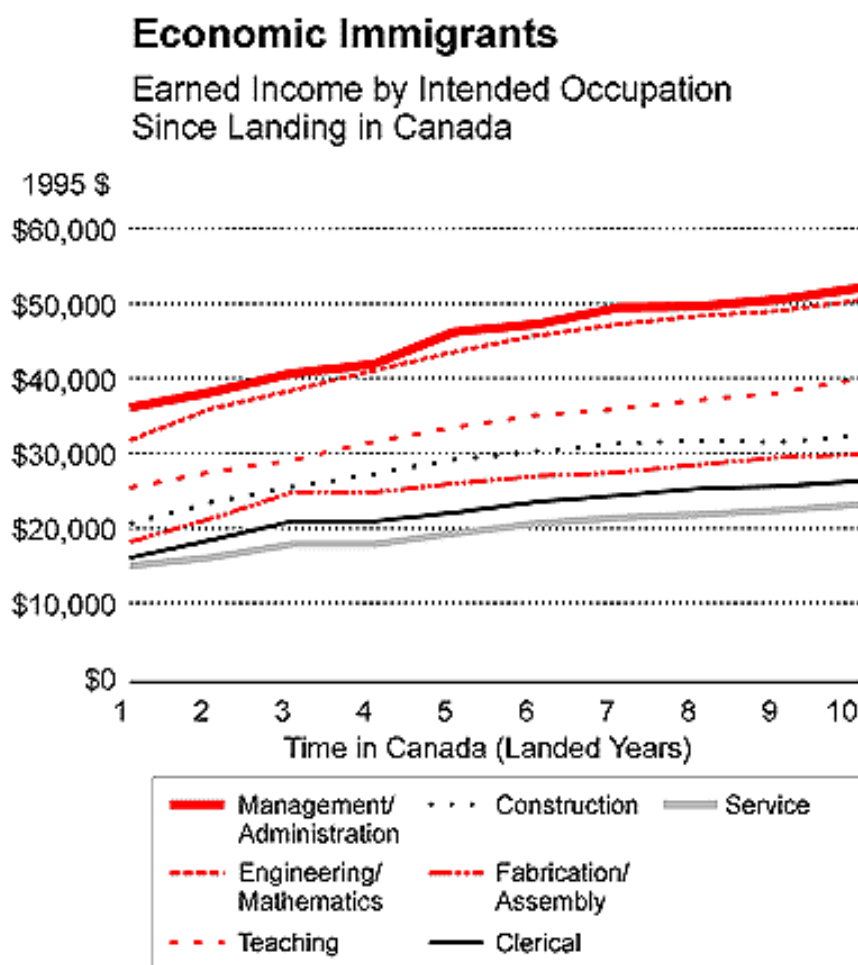
- "arranged employment" - a job pre-arranged with an employer in Canada before the immigrant lands

Recently, there has been much talk of new trends in the working world - towards a highly-educated and flexible workforce, capable of learning new skills and adapting to new circumstances. Many commentators suggest that economic immigrants with these general, "new economy" skills will meet with the greatest success. Don't misinterpret these trends. That's the message contained in a recent review of the labour market success of economic immigrants conducted by David Cobey of the Applied Research Branch.

The review discovered that the traditional specific criteria of intended occupation and arranged employment are still key elements of success.

Intended Occupation

Employment success varies considerably according to the intended occupation of the economic immigrants - managers/administrators and engineers report much higher income levels than those in the teaching and construction related occupations. And, those differences in earned incomes are still present 10 years after immigrants "land" (take up permanent residence) in Canada.

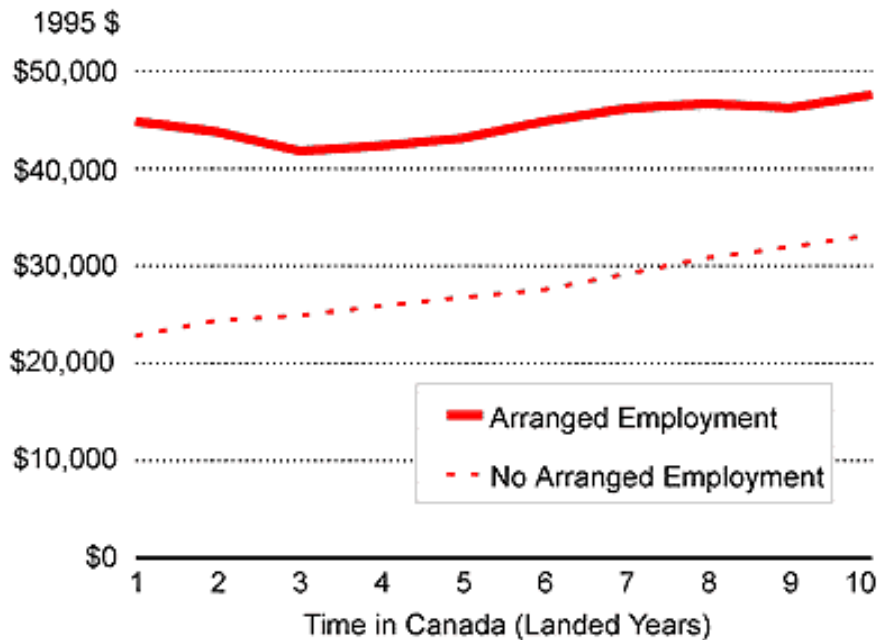


Arranged Employment

Arranged employment is also a significant element in employment success of economic immigrants. Economic immigrants who landed with arranged employment reported higher average incomes and lower unemployment insurance use than those who entered Canada without arranged employment. Even 10 years after landing, immigrants who landed with arranged employment earned almost 40% more than the average earned income of those who landed without arranged employment.

Economic Immigrants

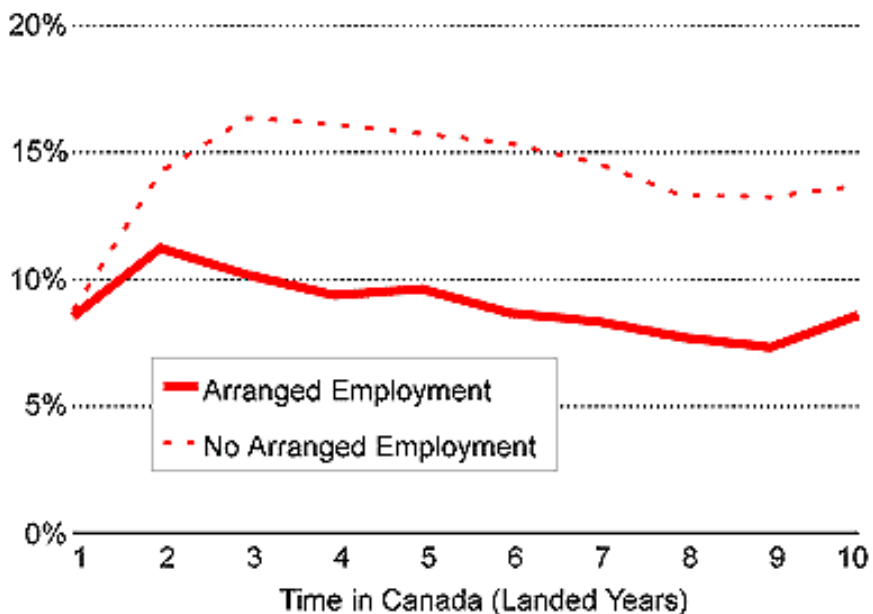
Earned Income Since Landing in Canada:
Arranged vs. No Arranged Employment



Arranged employment gives immigrants a solid head start. The proportion of economic immigrants reporting earned income is also higher among those who landed with arranged employment. And it took seven years for the proportion of immigrants claiming earned income who landed without arranged employment to reach a level equivalent to those who landed with arranged employment. Similarly, the proportion of economic immigrants declaring unemployment insurance income is more than 1.5 times greater among those who landed without arranged employment. This higher level of unemployment insurance persists after ten years in Canada.

Economic Immigrants

Proportion Reporting Unemployment Insurance
Income: Arranged vs. No Arranged Employment



As the government endeavours to ensure that immigration is coordinated with Canada's economic and labour

market needs, both general and specific criteria - including intended occupation and arranged employment - are essential to assessing an economic immigrant's potential for employment success. HRDC's General Occupations List, detailing those occupations open to prospective skilled immigrants, is a valuable component of the selection process.

The Importance of Language to Immigrants' Labour Market Outcomes

Immigrants entering Canada with an ability to speak either of our two official languages have a dramatic head start over those immigrants without English or French language skills.

A recent study for the Applied Research Branch by Kimberley Boyuk found that, on average, the earnings of immigrants arriving in Canada with no French or English will never catch up to their counterparts with official language skills. Although language is not the only determinant of an immigrant's success in this country - many other factors including education, occupation, age and gender also impact on earnings - this study demonstrates the importance of official language capability.

A profile of immigrants shows that, since 1983, the proportion of immigrants arriving in Canada speaking fluent English or French has been between 50% and 60%. On average, male immigrants show a slightly higher proficiency than females. Immigrants entering Canada in the prime labour force age (25 to 44) have the greatest rate of official language capability: 68% of this group have these language skills. Immigrants under the age of 15 have the lowest official language capability at a rate of only 37%.

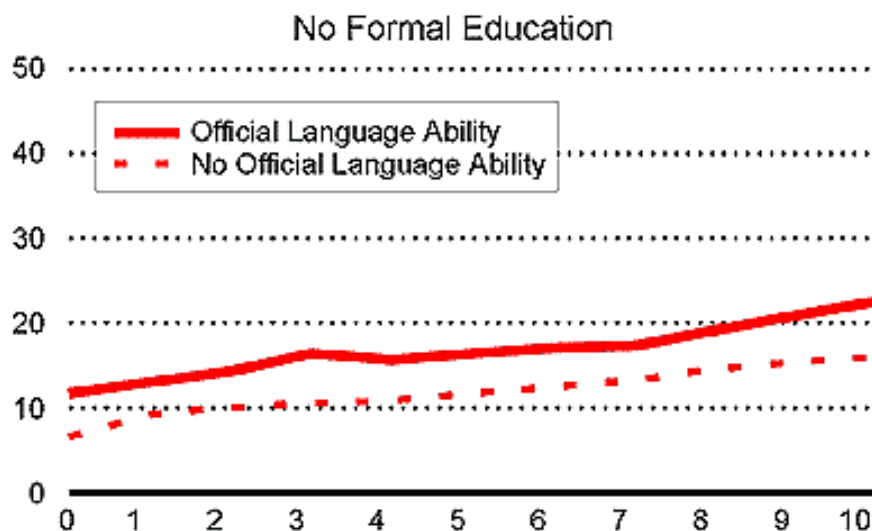
Immigrants with French or English earn significantly more than their counterparts without these language skills.

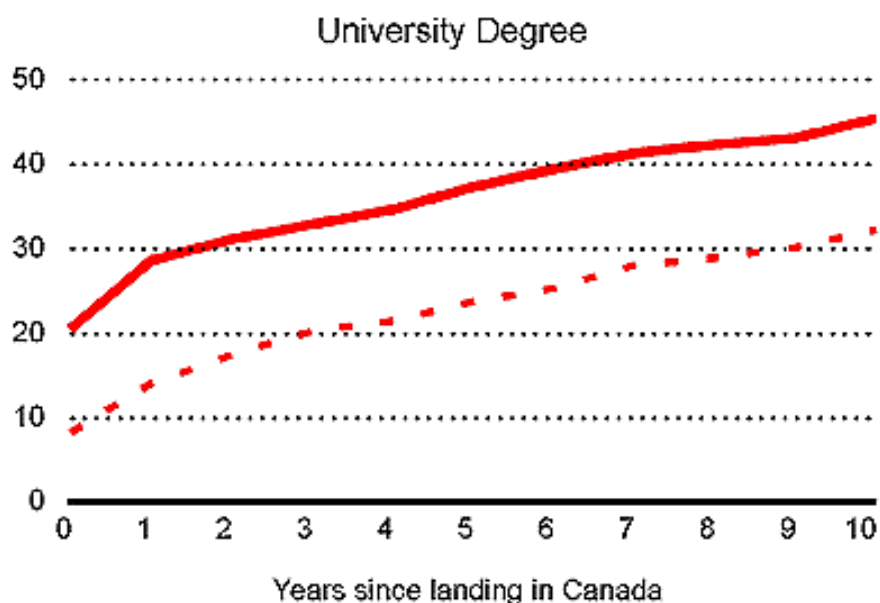
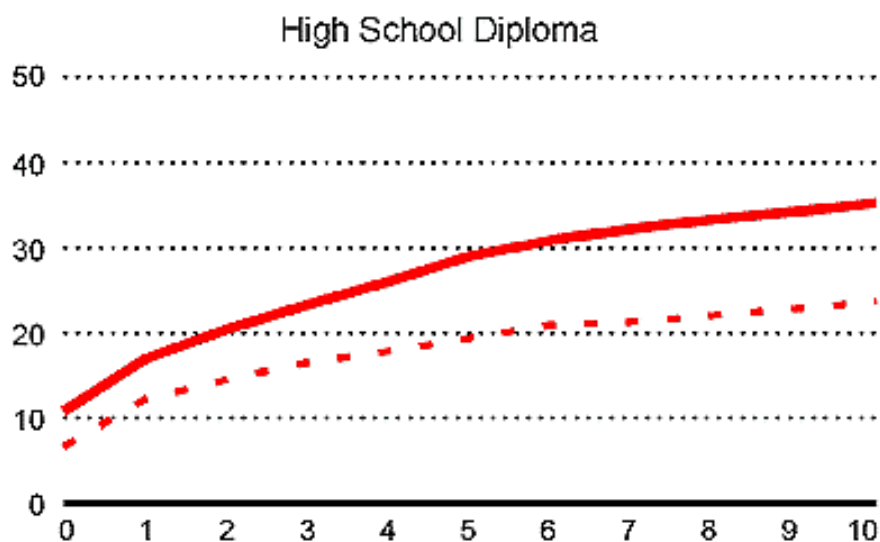
Over time, all immigrants seeking work, regardless of language skills, find paying jobs at the same rate. But there is a marked difference between the levels of income they will earn at those jobs. New immigrants with French or English earn significantly more than their counterparts without these language skills - on average, \$7,900 per year more. Through time, this income gap persists and actually increases slightly. Ten years after landing, immigrants who arrive with proficiency in either official language earn, on average, \$8,500 per year more than those who don't.

Average Earned Income of Immigrants Age 15-64

by Education, Official Language Ability and
Years Since Landing* in Canada

Constant 1995 \$ (Thousands)





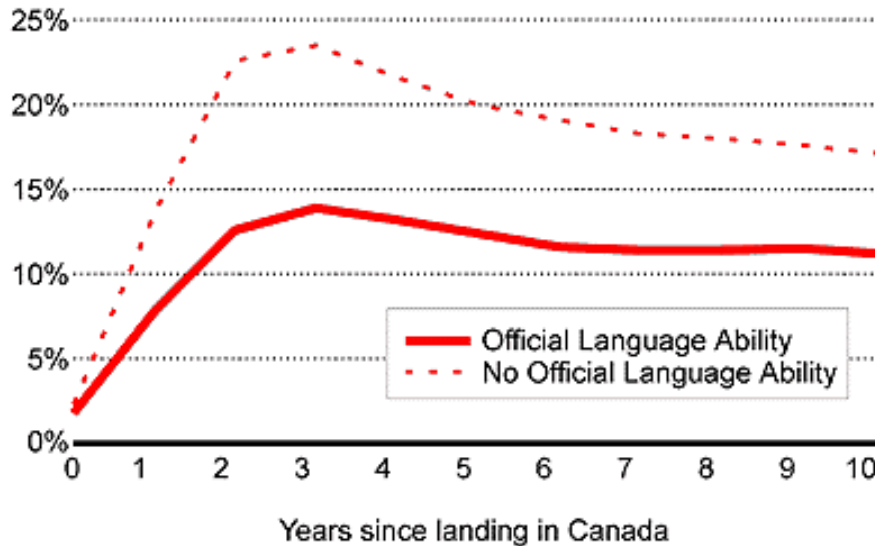
* Landing is defined as taking up permanent residence.

At higher education levels, the earnings differentials become even more dramatic. Among immigrants with little formal education, the earned income differential between those with an official language and those without is modest. Examining immigrants with a university degree, however, shows that people who enter Canada with a university degree and ability in one of Canada's official languages will - in their first year after landing in Canada - have average earnings \$14,400 higher than those with neither English nor French. This income difference persists over time.

Not only does language ability affect earnings, immigrants without an official language tend to use unemployment insurance and social assistance at a greater rate. The average amount received by an immigrant UI recipient was the same regardless of language skills. But the proportion of immigrants claiming UI was 1.5 times greater for the group without French or English than for those with these language skills.

Proportion of Immigrants who declared Unemployment Insurance Income

by Official Language Ability and Years Since Landing in Canada



Similarly, individuals in both groups receive the same average amount of social assistance but the number who report receiving social assistance is greater among immigrants without some proficiency in either tongue.

The Future of Work: Trends in the Changing Nature of Employment

Looking for a heated debate? Try predicting the shape of work in the future.

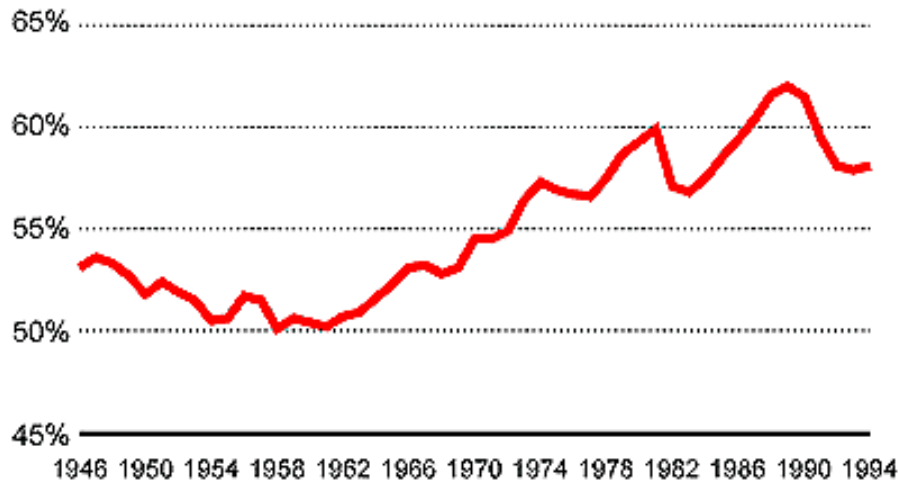
Pessimists see massive unemployment and growing income inequality. The unavoidable result, they say, of revolutionary technological change, globalization and economic, social and demographic trends. Optimists, on the other hand, predict shared opportunities for growth, creativity and freedom in the "post job" organization. These organizations will rely on part time, short tenure or self employed - "non-standard" - employees. Due to revolutionary structural and technological changes, knowledge will be the most important factor of production in post-job organizations.

Often basing their works on anecdotal evidence alone, both pessimists and optimists are portraying a remarkable collection of changes and trends in the world of work. The reality is actually somewhere in the middle. The nature of employment is changing, but not as dramatically as some would like us to think.

To put the debate in perspective, the Applied Research Branch organized a Ministerial Roundtable which reviewed the following key trends in the changing nature of employment:

- Job growth in Canada has been modest over the past fifteen years or so, especially compared to the strong employment growth experienced from the 1950s to the early 1970s. However, the data does not identify a "paradigm shift" or indicate the end of the traditional relationship between employment and output. Like job growth, the growth of output has also been modest.
- The unemployment rate has been ratcheting up over the past 50 years. However, long-term trends also show a fluctuating, but generally climbing, employment to population ratio. This means that, although the unemployment rate has increased, a greater proportion of the population is working today than fifty years ago.

Employment to Population Ratio *



* The employment to population ratio is defined as the civilian labour force employed relative to the civilian non-institutional population 15 and over.

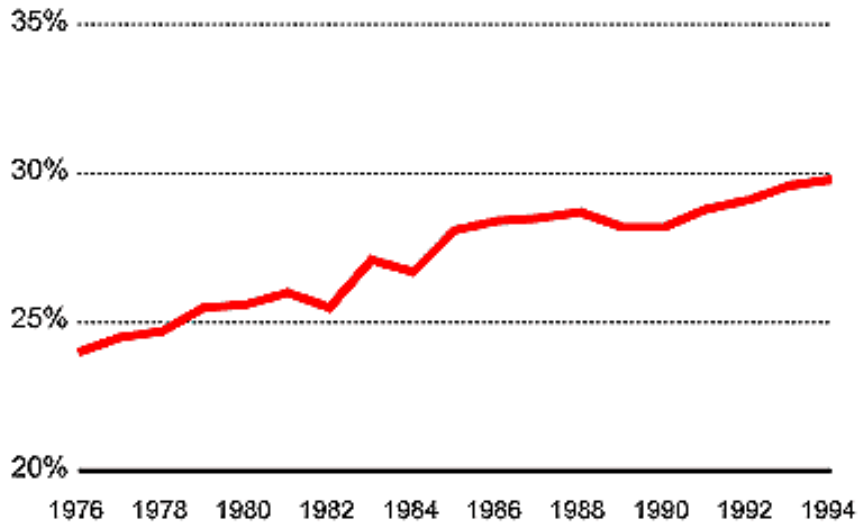
Source: Statistics Canada, catalogue number 13-531 and 13-201

- Troubling signals are feeding perceptions of hard times in the labour market - an upward trend in structural unemployment, increased duration of unemployment, stagnating average real earnings and the exclusion of certain groups from the labour market, including older males and uneducated individuals.
- Nonstandard jobs have accounted for close to half of the total job growth over the past twenty years. The importance of these jobs in the economy has been increasing - from 24% of all employment in 1976 to 29% in 1994.

These trends are, in part, the result of changing ways of doing business, prompted by globalization, free trade, technological change and other external pressures. But employees and their families are also changing the nature of work by making choices to balance work and other "quality of life" factors, including health and family responsibilities.

Nonstandard Employment

as a Percentage of Total Employment (1976 - 1994)



Source: Calculations based on Statistics Canada, Labour Force Survey, annual averages and unpublished data

To learn more, the Applied Research Branch has sponsored the Workplace and Employee Survey, currently piloted by Statistics Canada. WES will provide a more robust picture of the way in which our work world is unfolding. Look for preliminary results from WES this fall.

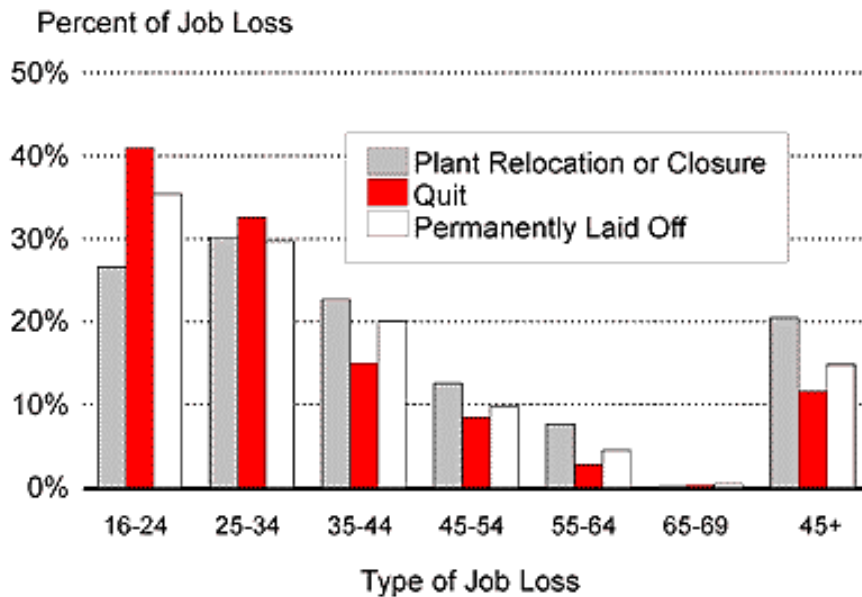
Job Loss and The Older Worker

For some it's easy, for others it's a tough time. Older workers who lose their jobs tend to fall into one of two very different adjustment patterns. Some older workers find new jobs with little or no interruption to their work routine. Others languish on the sidelines without work for prolonged periods - some unable to find new jobs for two years or more and needing significant assistance to obtain that new work.

These patterns were one of the key findings in a recent study of job loss and adjustment experiences of workers aged 45 and over conducted by Kelly Morrison, a senior policy analyst with Strategic Policy, Human Resources Development Canada. The study compared three groups of jobless workers - those who had lost their jobs due to employer relocation or closure, those who were laid off (seasonally or permanently) and those who had quit jobs. It confirmed that older workers, as a group, are far less likely to experience job loss than their younger counterparts. But when they do lose their jobs, older workers tend to remain unemployed longer.

Percent Distribution of Job Loss

by Age Group (1988)



Source: Labour Market Activity Survey, 1988-90

The study identified some interesting facts about the older worker and job loss:

The "younger" older worker - Among all older workers (45+), men and women who are under 55 bore the brunt of job losses.

Education, location and industry - Older job losers were more likely not to have finished high school, to have lived in Atlantic Canada, and to have been employed in either the construction, manufacturing or primary industries than younger job losers.

Looking for a new job - Older jobless workers look for jobs in different ways than their younger counterparts. For example, older workers who quit their jobs tended to make greater use of networks of family and friends to identify job prospects than did other job quitters. They also checked directly with employers more often than others. Laid-off workers over 45 relied more heavily than all other job losers on the services provided by Canada Employment Centres to help them regain employment.

Regaining employment - The likelihood of finding a new job declined with increased age. But sizable proportions of even the oldest job losers located new employment in the two years following job loss. For example, among 55 to 64 year olds, success ranged from 48% of those losing their jobs due to plant relocation or closure to 77% of those who had been permanently laid off.

Smooth transitions - Among persons who found new jobs, those workers between 45 and 54 were just as likely to have made smooth transitions into new employment as were younger job seekers. (A completely smooth transition involves no weeks of unemployment.)

Failure to find a new job - A higher proportion of older workers have a hard time finding new work, compared to younger workers. For example, of all displaced workers who fail to find a new job, more than 75% were 45 and over. It is not clear how many older workers, unable to find a new job, decided to retire, leaving the labour force completely.

Percent Distribution of Re-employment by Age Group and Type of Job Loss (1989 - 1990)



Source: Labour Market Activity Survey, 1988-90

The study revealed a wide range of needs among workers 45 and over. As human resources policies become more responsive to individual needs, the factors which may make re-employment more difficult for older workers deserve attention.

Earnings, Education and Age...The Low End Goes Lower

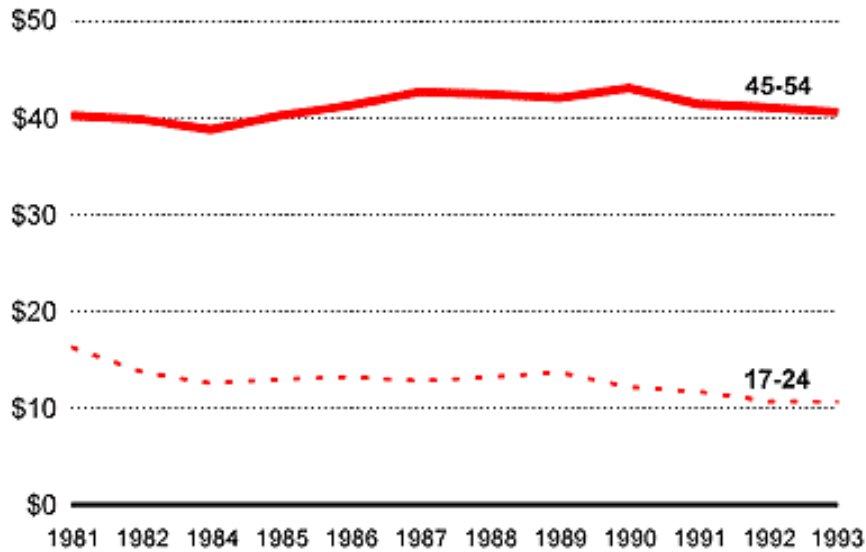
Comparing earnings of Canadian workers reveals some unsettling trends.

Over the past decade, inequality of earnings has risen dramatically among workers with different levels of education and work experience. Skill - as measured by a worker's level of education and work experience - translates into jobs and higher earnings. The past decade has seen demand rise for skilled workers and fall for those less skilled. The causes are varied: the effects of two recessions and underlying structural changes to our economy caused by globalization and technological change.

Average Earnings for Men

by Age

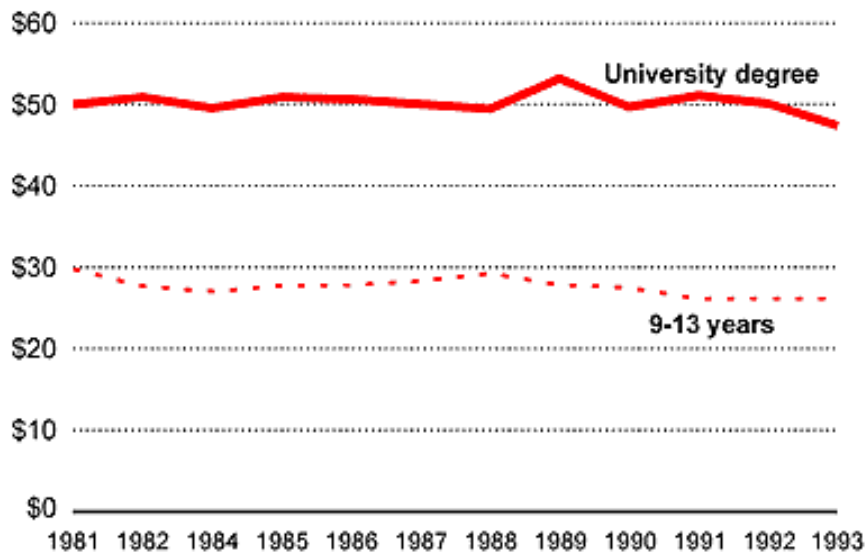
Thousands of Dollars



Average Earnings for Men

by Level of Education

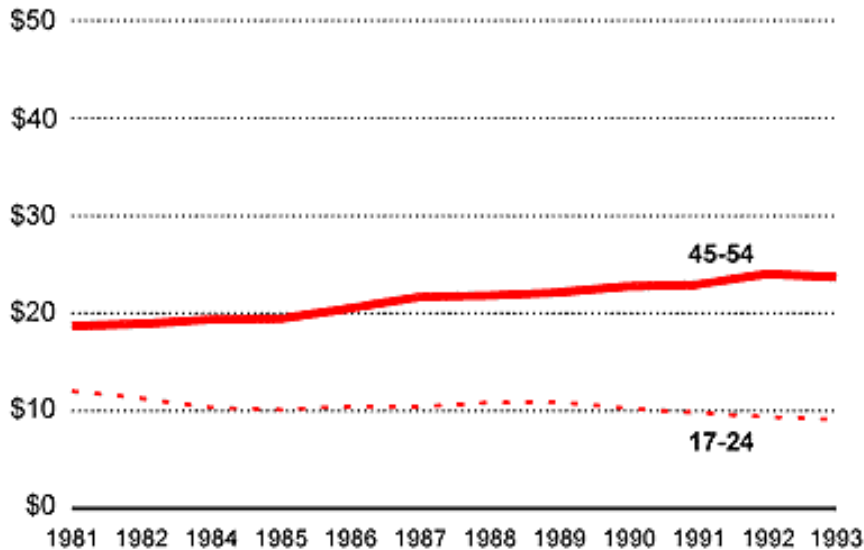
Thousands of Dollars



Average Earnings for Women

by Age

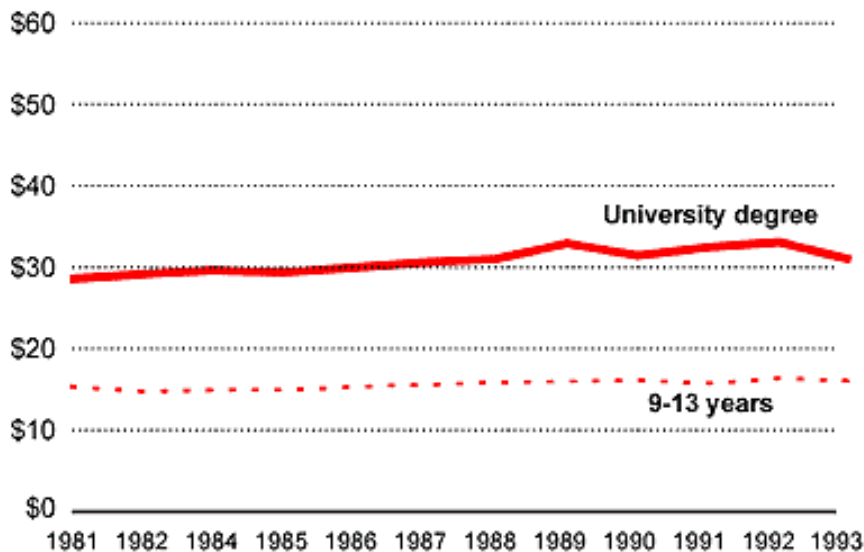
Thousands of Dollars



Average Earnings for Women

by Level of Education

Thousands of Dollars



And the youngest and least educated workers have been hardest hit by these trends according to a recent analysis by Philip Jennings of the Applied Research Branch. He addresses the changes which have occurred in Canada during the 1981-93 period in the relative earnings of men and women with different levels of age (a measure of work experience) and education.

Here are some of the findings of that analysis:

- **The Age Premium** - Differentials in earnings across age groups increased markedly. While real earnings for young males (17-24) dropped by over one third (-34.6%) from 1981 to 1993, they increased slightly (+0.9%) for males aged 45 to 54 - resulting in a \$6,000 increase in the age premium. Over the same period, the age premium for women grew by almost \$8,000.
- **The Education Premium** - It pays to be educated. The education premium is calculated by comparing those with a university degree to those with nine to thirteen years of schooling. Earnings of university-educated men and women relative to those with less education increased significantly during 1981-93. For men, the

education premium grew by \$1,000 and for women, by \$1,600.

Remember - these results indicate only the change in age and education premiums over the 1981-93 period and not the premiums themselves. In 1993, the mean earnings for those with a university degree was approximately double that for those with nine to thirteen years of schooling, yielding an education premium of \$21,300 for men and \$14,900 for women. The ratio of earnings of older (45-54) to younger (17-24) workers was even more substantial almost four to one for men (\$30,000 age premium), over 2.5 to 1 for women (\$14,600).

- **Increasing Part-Time, Part-Year Employment** - The growing incidence of part-time and part-year employment for the young and least educated has noticeably expanded the gaps between the relative amounts Canadians earn. Both the increased age and education premiums can be largely explained by this growing phenomenon of "nonstandard" employment. For women, no less than half of the increase in the age premium is attributed to nonstandard employment. Likewise, the education premium for women would have declined by \$300 if the incidence of full-year, full-time employment had remained constant during the period. For men, almost four fifths of the increase in age premium and half of the increase in the education premium can be explained by the growth of nonstandard employment.
- **Improving Situation of Women** - With the notable exception of young workers, the labour market situation for women improved between 1981 and 1993. Also, the growth rate of women's earnings between 1981 and 1993 outstripped that of men for each education and age group. The improvement in the economic position of women, coupled with the general deterioration of real earnings for men, has led to a decreasing earnings gap between the sexes. Further, the size of the gap is related to age and education. The earnings gap is larger between older men and women, and smaller between men and women at higher education levels.

The conclusion is clear. The evidence demonstrates a strengthening of the relationship between earnings and education, on the one hand, and earnings and age, on the other. And the losers are the young and least educated.

Skill Shortages: What Do We Know?

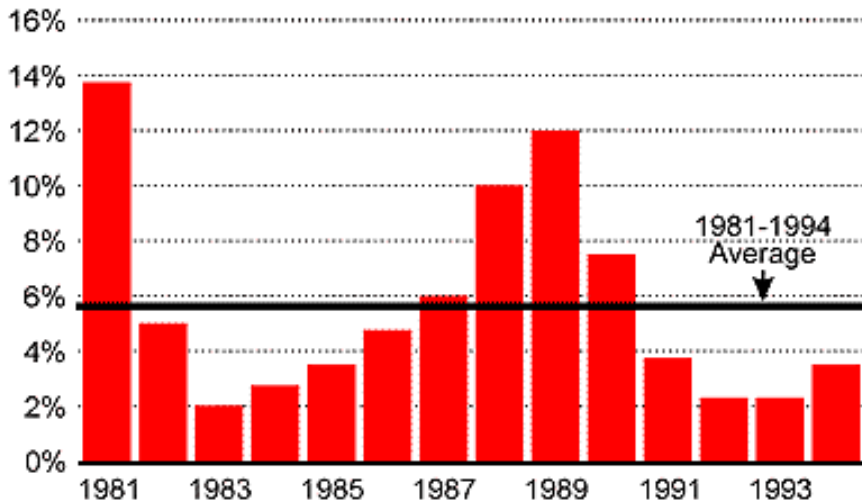
Canadian labour markets resolve most skill shortages by themselves. Government intervention may be warranted in situations where labour market mechanisms are not effective. Government attempts to alleviate severe skill shortages are hampered by inadequate information. Those are the main conclusions of a recent study conducted by Harold Henson, Claude Lavoie and Richard Roy of the Applied Research Branch.

Supply and demand for workers with specific qualifications fluctuates constantly. Fluctuations are caused by a wide variety of factors, including technological innovations, changing tastes of consumers and demographic patterns. These fluctuations, in turn, lead to imbalances in the various occupational markets because of adjustment costs, such as long-term labour contracts between workers and employees, time to set up job interviews, time to train new employees and acquire new equipment, legal fees in case of contested layoffs and lower employee morale following massive layoffs.

In that context, it is not surprising to observe that, at any point in time, employers will report that jobs exist that are unfilled due to a lack of skilled workers. On average, 6% of employers - across all sectors of the economy - report a labour shortage at some time during the year. That percentage, however, varies depending on the business cycle phase.

Skills Shortages: Manufacturing

Employers Experiencing Difficulties Hiring Skilled Labour



Most skill shortages correct themselves in Canada's competitive environment. Workers are motivated - by low unemployment rates, job openings, improved working conditions and wages - to obtain the skills they need to fill jobs in a sector experiencing a skill shortage. Employers tend to substitute other more abundant types of labour for those in short supply. Training programs may be implemented by a company experiencing skill shortages.

These labour market corrective mechanisms, however, don't always operate efficiently. Correction can be hampered by excessively rigid wages or institutional control over supply and demand for skilled workers. When the incentives offered by the market are ineffective, government actions - like promoting worker training, for example - might help achieve a solution. For government interventions to be successful, several conditions must be met. Thorough knowledge of the different labour markets is essential. Not only must the markets experiencing shortages be identified, but the causes of the imbalances must also be known.

Many estimates of skill shortage or related concepts have been published in recent years for Canada. The ARB study reveals that these estimates either do not correspond to true skill shortages or do not offer precise enough estimates to constitute useful information for government intervention.

Facing these information constraints, governments usually direct their publicly funded training programs to helping the unemployed find jobs, whether or not these jobs belong to well identified shortage occupations. Expenditure on training is designed to assist people with employment problems to acquire skills with the aim of improving their employability. Contrary to popular belief, prior knowledge of occupations experiencing shortages is not essential for successful training. The notion that training in non-shortage occupational skills will lead to displacement and therefore would accomplish nothing, is wrong. The number of jobs in the economy is not a fixed quantity. For instance, by making long term unemployed employable again, training will tend to put downward pressure on wages, providing employers an incentive to increase their hiring.

Canada excels in diagnosing labour shortages using occupation projection models and sectoral studies.

The information-gathering problem that currently hampers the Canadian government's attempts to correct skill shortages is common to many industrialized countries. In fact, Canada compares favourably to other countries in estimating skill shortages. A study by Harold Henson and Clayton Newton of the ARB shows that Canada excels in the diagnosis of labour shortages using occupation projection models and sectoral studies. Where Canada falls behind is in the absence of regular compilations of detailed administrative data on job vacancies. Recent initiatives for the dissemination of job vacancy data, such as the new Electronic Labour Exchange undertaken by Human Resources Development Canada, is expected to address some of these shortcomings.

How Schools Succeed: The National Report of the Exemplary Schools Project

What makes a successful high school? And how can that success be duplicated in other schools? Unfortunately, there are no simple answers to those questions. But the Exemplary Schools Project, the largest and most complex study ever undertaken of Canadian secondary schools, has produced a wealth of information based on case studies of 21 "exemplary" schools across the country. These successful schools, of all sizes and types, represent a broad range of geographical and social contexts and include three Aboriginal schools, three alternative schools and five French-language schools.

The study was funded by Human Resources Development Canada and administered by the Canadian Education Association. An advisory committee that included representatives of each provincial/territorial government assisted the design and conduct of the study.

The 21 schools were selected through an open nomination process. While every school was exemplary in some practices, the schools were not necessarily the 21 best schools in Canada.

Conclusions

Here are some of the findings:

- There is no single model or prototype of a successful secondary school. Successful schools run the gamut in terms of size, organizational structure, communities served, priorities and approaches.
- All schools are experiencing some degree of tension between the social and academic goals: between meeting the needs of individual students and providing for a sense of community, between social accountability and professional autonomy.
- Motivated and competent teachers are the single, essential element of successful schools.
- Success is a fragile quality; getting it and keeping it are precarious endeavours. Success depends on many factors. It is acquired only with care and difficulty. It is sustained with constant vigilance and can be easily and rapidly compromised by poor decisions or by changing circumstances that are beyond the control of the school.
- Almost all the schools studied are conventional in terms of physical facilities, organizational structure, curriculum, student grouping and the activities of teachers and students.
- The communities that schools serve have little influence on the academic core of those schools. Greater influence is exerted on peripheral subjects, shared values and social goals.
- Most schools have little systematic information on the nature and extent of their success and few indicators of institutional performance.

Recommendations

The report made the following recommendations:

- Schools and policy-makers need more systematic knowledge of the school environment and comprehensive measures of their performance.
- Efforts should be made to link research to both education policy and the practice of teaching.
- Networks should be established to link schools across Canada, encouraging schools to work on joint projects and to share information and ideas.
- School leadership should not rely too much on one person. Collaborative models seem most enduring and successful.
- Schools should foster stronger links with their communities.
- More attention must be paid to the hiring and assignment of staff, their professional development and recognition of their efforts.
- The social goals of education must be strengthened. Students' leadership, maturity and social skills, their assessment and their links with academic, career and personal success need attention.

- Diversity and innovation in the areas of programs, scheduling, use of community resources, access to learning, distance education and applications of communications technology need improvement.
- It is time for a serious examination of curriculum and the hierarchy of disciplines. Different ways of organizing knowledge with interdisciplinary and problem-based approaches to learning and curriculum rooted in real-life contexts should be explored further.
- Despite the sensitive nature of such issues, more attention should be paid to values, ethical behaviour and spirituality.
- There exists in high schools a clear hierarchy of programs and de facto streaming of students. If high schools are to be more than "prep schools" for post-secondary institutions and avoid reproducing social hierarchies from one generation to the next, schools must strengthen their commitment to equality of opportunity for all students.

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