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# THE PROSPERITY ACTION PLAN: A PROGRESS REPORT

26 May 1993



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PROSPERITY INITIATIVE

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PROSPERITY INITIATIVE

# NOTE

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## TABLE OF CONTENTS

Introduction .....	1
1. Establish a National Quality Institute .....	2
2. Help Consumers Become More Demanding and Discerning .....	3
3. Get Government Under Control .....	4
4. Conduct an Independent Tax and Fiscal Policy Review .....	5
5. Assess the Competitiveness Impact of Government .....	6
6. Reduce Government Costs .....	7
7. Eliminate Interprovincial Barriers .....	8
8. Provide Effective Technology Support .....	9
9. Increase Technology Use .....	10
10. Increase Understanding of Technology .....	11
11. Expand Our Knowledge .....	12
12. Build a National Electronic Highway .....	13
13. Ease the Access to Global Capital .....	14
14. Open the Door to Long-term Investment .....	15
15. Innovate with Financing Structures and Sources .....	16
16. Help Companies to Grow .....	17
17. Develop an International Business Strategy .....	18
18. Focus Government Support .....	19
19. Open Access to Markets and Exercise Rights .....	21
20. Build on Canada's Strengths .....	22

21.	Use Market Mechanisms . . . . .	23
22.	Develop Models for Labour-Management Teamwork . . . . .	24
23.	Develop Labour-Management National Forums . . . . .	25
24.	Encourage Labour-Management Teamwork . . . . .	26
25.	Encourage Employee Adjustment . . . . .	27
26.	Establish a Canadian Forum on Learning . . . . .	28
27.	Change the Focus to Competence-based Systems . . . . .	29
28.	Monitor System Achievements . . . . .	30
29.	Make a Commitment to Quality and Service . . . . .	31
30.	Provide All Children with a Good Start . . . . .	32
31.	Bring the World of Work into Schools . . . . .	33
32.	Encourage Secondary School Completion . . . . .	34
33.	Encourage Change in Post-Secondary Institutions . . . . .	35
34.	Promote Employer-led Training . . . . .	36
35.	Promote Management Training and Executive Development . . . . .	37
36.	Increase Telecommunications and Information Technologies and Learning . . . . .	38
37.	Create a Learning Network Based on Technology Links . . . . .	40
38.	Prepare Teachers for Change . . . . .	41
39.	Conduct Research in Education and Training . . . . .	42
40.	Increase International Focus of Education and Training . . . . .	43
41.	Encourage a Commitment to Learning . . . . .	44
42.	Campaign in Support of Learning Throughout Life . . . . .	45

43.	Increase Opportunity for All .....	46
44.	Restructure the Workplace .....	47
45.	Increase the Use of Technology by Aboriginal Peoples .....	48
46.	Promote Aboriginal Learning .....	49
47.	Improve Access to Capital and Strengthen and Expand Aboriginal Business and Financial Institutions .....	50
48.	Increase the Number of Aboriginal Companies That Export .....	52
49.	Promote Management and Executive Training .....	53
50.	Assist People: Review Income Security Programs .....	54
51.	Assist People: Eradicate Illiteracy and Innumeracy .....	55
52.	Assist People: Upgrade Academic and Skills .....	56
53.	Improve the Economic Health of Communities .....	57
54.	Establish a Prosperity Council .....	58
	Response to Industry Sector Consultations to Date .....	59

## Introduction

The Steering Group on Prosperity was set up in October 1991 with a mandate to consult with Canadians and produce an action plan. The group included 20 women and men from across the country, with a variety of backgrounds. They oversaw a process that involved Canadians at the community level, through industry-led groups and national activities. The primary goal of these consultations was to develop a national consensus on appropriate actions that are required in both the public and private sectors -- actions to help develop the kind of economy that is needed to support the standard of living and quality of life that Canadians expect, into the 21st Century.

In October 1992 the Steering Group presented its report, *Inventing our Future: An Action Plan for Canada's Prosperity*, to the country. This report looked at Canada's economy in the broadest terms -- in the same way that individual Canadians look at it. Building Canada's prosperity must be concerned with productivity, investment, competitiveness, training and technology. The report makes recommendations on these issues, and also on such issues as building a learning culture and ensuring that all citizens have an opportunity to participate in Canada's prosperity. These factors play a crucial role in building a strong economy that serves Canadians' needs.

The Steering Group's report contains 54 recommendations for actions aimed at building a society that is at once innovative and inclusive, and that values life-long learning. The recommendations are aimed at all Canadians: in governments, business, labour, the education system and communities. The simple fact is that it will require action by all of these parties to make a difference. The Action Plan sets out a vision of how this can happen.

A number of other organizations and provincial governments have undertaken similar consultations, and results indicate that a consensus is building. In fact, many people have been struck by the similarity of most of the conclusions. This outcome should not be a surprise, given that in most cases an emphasis was placed on giving a voice to individual Canadians. What these results suggest is an opportunity for complementary action by many, and the chance for real improvement in our economic and social outlook.

This document presents a summary of the federal government's progress to date on the 54 recommendations in the Action Plan. The proposed actions and the principal actors are outlined as in the Action Plan. This is followed by a section describing the progress made to date. In addition, an overview is provided of the responses made thus far to the reports that emerged from individual industry sector consultations.

This progress report represents not the end to the process, but a beginning. An important message in the Action Plan was that all parties must work together to achieve the greatest impact. This is how we want the Action Plan implemented. The federal government looks forward to working with others in areas in which responsibility for action may be shared.

# 1. Establish a National Quality Institute

- ***Proposed Action:***

Create a National Quality Institute to make companies and public sector organizations world leaders in quality. The Institute would provide national leadership, encourage quality networks and information programs, and pursue national and international harmonization of standards based on quality principles.

- ***Principal Actors:***

Business, labour, educators, communities, public interest groups, consumer and retail organizations and the media.

- ✓ ***Progress to Date:***

A private sector consortium has launched the National Quality Initiative, which includes a National Quality Institute (NQI) and the Canadian Network for Total Quality (CNTQ). Under this five-year initiative, the federal government will provide \$19.3 million in support, which private sector partners will match, to establish and operate the NQI and CNTQ. At present, the CNTQ has 16 members.

The NQI will hold its first formal board meeting on June 4, 1993. Mr. Gedas Sakus, President of Northern Telecom Canada, Ltd., has been appointed Chairman of the Board.

These new mechanisms will play a primary role in providing information, networking opportunities, training and research related to quality practices in Canadian business, industry and governments, all of which need to dedicate themselves to building a quality approach into their organizations and all their economic activities.



## 2. Help Consumers Become More Demanding and Discerning

- ***Proposed Action:***

Develop and implement consumer education programs. Introduce to primary schools basic instruction on how to become responsible and demanding consumers, and continue the instruction in secondary schools and beyond. Encourage constructive partnerships between consumers and business to develop a better understanding of mutual objectives, needs and concerns.

- ***Principal Actors:***

Consumer groups, business groups, the education community and governments.

- ✓ ***Progress to Date:***

Governments can be only part of the solution. Consumers have an obligation to make knowledgeable, discerning decisions regarding quality products and services. Demanding consumers stimulate competition, push companies to innovate and raise the standard of quality for goods and services produced.

A consumer education curriculum called Project Real World has been developed by the provinces to teach economic living skills to teenagers in Grades 10-12. To date, the program has been introduced in Saskatchewan and Manitoba. More widespread use of this material will assist in developing knowledgeable consumers.

Education programs are not confined to the classroom. A number of departments, as well as businesses, have information programs targeted to individuals to help them make better informed decisions about products and services.

Other education possibilities outside of the school system are under study as part of a federal Consumer Policy Framework Action Plan, including a credit education program under a federal/provincial/industry partnership.

### 3. Get Governments Under Control

- ***Proposed Action:***

Reduce deficits of all governments through expenditure cuts rather than through increased taxes. Assess new programs in terms of their long-term net benefits and finance them by expenditure reductions. Establish a federal-provincial body or process to harmonize fiscal policies.

- ***Principal Actors:***

First Ministers, in consultation with business, labour, consumer groups and the academic community.

- ✓ ***Progress to Date:***

Since 1984-85, the federal government has consistently pursued a deficit reduction strategy. Most recently, the combined effects of measures taken in the December 1992 Economic Statement and the April 1993 Budget reduce federal spending by a cumulative amount of \$30.7 billion over the five-year period 1993-4 to 1997-8. These include reductions to grants and contributions, reductions to departmental spending budgets and reduced growth in defence and international assistance.

A number of provincial governments have recently introduced budgets reducing deficits and spending.

All governments must continue their efforts to reduce budgetary deficits. Better co-ordination of federal and provincial fiscal and taxation policies must be a priority.

A federal-provincial consultative process is in place. Finance Ministers meet twice yearly to discuss tax and fiscal policy co-ordination. They will be meeting on May 30 and 31, 1993, to work out, in a cooperative manner, practical approaches to address Canada's deficit and debt problems.

## 4. Conduct an Independent Tax and Fiscal Policy Review

- ***Proposed Action:***

Monitor and report on fiscal policies of federal and provincial governments to assess their consistency with stated objectives and their impact on the economy. Examine the impact of federal, provincial and municipal taxes on Canadian competitiveness.

- ***Principal Actors:***

The Prosperity Council [see Action 54].

- ✓ ***Progress to Date:***

The impact of tax policy on the competitiveness of the Canadian economy is clearly an important design consideration. Indeed, the goal of ensuring that our tax system remains internationally competitive has motivated a wide range of recent tax initiatives.

In the personal tax area, reforms since 1984 have reduced the number of tax brackets from 10 to three, reduced the top marginal tax rate, and broadened the tax base by eliminating special provisions and converting personal exemptions to credits.

The corporate tax base was broadened to permit lower tax rates. The new system is fairer, less distortionary, and helps Canadian corporations compete.

The Goods and Services Tax (GST) replaced the anti-competitive Manufacturers Sales Tax. This removed significant distortions in the tax system, particularly ones that put Canadian firms at a disadvantage in exporting or competing against imports. Additional harmonization of federal and provincial sales taxes would be desirable.

Effective independent monitoring of federal and provincial governments' fiscal policies already exists. Research groups, universities, banks, and credit rating agencies monitor and assess fiscal actions taken in Canada. International bodies such as the Organization for Economic Co-operation and Development (OECD) and the International Monetary Fund (IMF) also monitor government policies.

## 5. Assess the Competitiveness Impact of Government

- ***Proposed Action:***

Use competitiveness impact assessments and regulatory budgets to assess all current and proposed legislation to ensure they have a net benefit for Canada's economy and its competitiveness.

- ***Principal Actors:***

Each government, with an independent performance assessment by the Prosperity Council [see Action 54].

- ✓ ***Progress to Date:***

Reviews of all federal regulations and their impacts on competitiveness were launched as part of the 1992 Budget process. Several have been completed, and the results are being implemented. Evaluation of over 700 regulations from three departments indicated that one in four could be eliminated and a smaller number modified to reduce their cost to government and their impact on business. Extending the regulatory review process to the provinces and eliminating overlap and duplication of regulations has been established as a priority in the ongoing intergovernmental negotiations on internal trade.

In addition, the federal government announced in the December 1992 Economic Statement that all existing and new regulations would be subject to a business competitiveness test. The test is being developed, refined and tested in close partnership with industry groups. Industry views the test as a valuable opportunity to participate in the development of regulations that support government objectives without creating unnecessary or unintended burdens on business.

The regulatory reviews and the business competitiveness test are only two of a number of wide-ranging initiatives on the part of the federal government to create more responsive regulation and to streamline the regulatory system.

## 6. Reduce Government Costs

- ***Proposed Action:***

Establish a federal-provincial body or process to harmonize and co-ordinate policies by monitoring legislative, regulatory and policy initiatives, agreeing on national standards and eliminating duplication and overlap.

Review the number of government departments, agencies and programs with the objective of restructuring or reducing them.

- ***Principal Actors:***

First Ministers, with an independent performance assessment by the Prosperity Council [see Action 54].

- ✓ ***Progress to Date:***

Federal-provincial discussions with respect to interprovincial trade barriers will address many of these issues.

Federal and provincial governments will use existing or new bodies and processes to review and eliminate overlap and duplication within programs and services, thereby reducing overall government costs.

A Canada Business Service Centre initiative has been introduced to provide, to the extent possible, access to both federal and provincial business information and services at single points of service delivery, in at least one major urban centre in each province.

For example, a "one-stop shopping" centre for government information on business programs has been set up on a pilot basis in Winnipeg. A co-operative venture, it links several federal and provincial departments, along with non-government organizations in a high-tech information network that will improve access and services to users. Other centres have been opened in Edmonton and Halifax. Business will be better served and governments will realize cost savings.

A comprehensive review of federal departmental organization has been completed and consideration will be given to its implementation at an appropriate time.

## 7. Eliminate Interprovincial Barriers

- ***Proposed Action:***

Create a Canadian common market by accelerating the elimination of interprovincial barriers to the movement of goods, services, capital and people.

- ***Principal Actors:***

First Ministers.

- ✓ ***Progress to Date:***

In March, 1993 the federal, provincial and territorial governments launched comprehensive negotiations to eliminate barriers and impediments to internal trade. This process is being overseen by the Committee of Ministers on Internal Trade.

Negotiations are to be completed and a comprehensive internal trade agreement reached by June 30, 1994. Governments are to ratify and begin implementation of the agreement by July 1, 1995.

A successful conclusion to this process will depend on the strong support of Canadian business and consumers, who pay the price for these barriers.

## 8. Provide Effective Technology Support

- ***Proposed Action:***

Consolidate government technology support programs into more coherent, accessible forms, and make them responsive to customer needs with demonstrable value added. The Industrial Research Assistance Program (IRAP) provides a model.

Augment the number of science and technology counsellors abroad and strengthen their links with domestic technology programs such as IRAP.

- ***Principal Actors:***

Federal and provincial agencies and departments with science and technology responsibilities.

- ✓ ***Progress to Date:***

The technology components of the Advanced Manufacturing Technology Assistance Program are being consolidated under IRAP. This will allow IRAP to serve a broader range of firms' needs.

The federal government, in concert with industry associations and provincial governments, is strengthening the IRAP network of Industrial Technology Advisors (ITAs). This includes new funding of \$83.3 million over five years, which will increase the number of ITAs from 225 to as many as 300, provide additional support for industrial projects, enhance international technology transfer capabilities and share costs for industrial diagnostic services.

The federal government is reviewing how international scientific and technological information is gathered and delivered to clients in order to design a stronger and more effective network of science and technology counsellors posted abroad.

IRAP works because of its close links with provincial research organizations and private sector bodies. The federal government hopes that this base can be built upon with the increased resources made available to IRAP.

## 9. Increase Technology Use

- ***Proposed Action:***

Make the Capital Cost Allowance depreciation rates for innovative and best-practice equipment and technologies, including patents, licenses and software, consistent with their short life cycle.

- ***Principal Actors:***

The federal government, in consultation with major national business organizations.

- ✓ ***Progress to Date:***

As announced in the December 1992 Economic and Fiscal Statement, the federal government set aside \$400 million over five years for anticipated changes in support for industrial innovation. Following consultation with industry, the 1993 Budget announced the tax changes that are to be included in the \$400 million package of improvements. These proposed tax changes include:

- the creation of a new asset class within the tax system for rapidly depreciating equipment such as computers;
- faster write-off rates for the purchase of patents; and
- the elimination of withholding tax on arm's length payments to non-residents for the use of patented information.

Other governments may also need to consider opportunities for complementary initiatives within their jurisdiction.



## 10. Increase Understanding of Technology

- ***Proposed Action:***

Train managers and the work force in effective selection, purchase, use and management of best-practice and leading-edge technologies, and increase the number and quality of engineering, science and technology graduates in Canada by:

- developing courses in the management of technological change and new product development;
- expanding technology internship and co-op programs for undergraduate technologists, engineers and scientists; and
- expanding advanced professional "interchange" programs for experienced professionals and professors.

- ***Principal Actors:***

Business, labour unions, trade and professional associations, and universities and colleges.

- ✓ ***Progress to Date:***

The federal government has limited role with respect to these specific proposals. The Canada Scholarships Program encourages students to pursue studies in science, engineering and related disciplines. The Networks of Centres of Excellence Program is being renewed. This program contributes to enhanced technological training in an environment that emphasizes the importance of applied research and partnership between the academic and business communities.

Industry associations could be more active in obtaining domestic and international information on technological developments, and in helping companies to strengthen their technology adoption/adaption capability.

Universities and colleges could work more closely with industry to increase the technological literacy of managers and the work force and to increase the number and quality of engineers, scientists and technologists. This could be accomplished by developing courses in managing technological change and new product development, by expanding technology internship and co-op programs for undergraduate technologists, engineers and scientists, and by expanding professional interchange programs.

## 11. Expand Our Knowledge

- ***Proposed Action:***

Strengthen intellectual property protection, including trademarks, copyrights, patents, and industrial design through:

- more rapid approval of patents by an independent patent office;
- introduction of an effective process to deal swiftly and economically with cases outside court systems; and
- Canada's active participation in international negotiations to improve the protection of intellectual property.

- ***Principal Actors:***

Federal government and private sector groups.

- ✓ ***Progress to Date:***

The Canadian Intellectual Property Office (CIPO) has been established as a special operating agency and will be increasing its patent examination capacity.

Since previous research has confirmed litigation to be slow, uncertain and expensive, the federal government is studying improved mechanisms for the resolution of intellectual property conflicts. The federal government will establish a task force of senior legal practitioners, business and government representatives with a mandate to develop a set of model rules for less expensive and faster resolution of intellectual property disputes.

The federal government is also increasing its efforts through international forums such as the World Intellectual Property Organization (WIPO), the General Agreement on Tariffs and Trade (GATT) and the North American Free Trade Agreement (NAFTA), to strengthen intellectual property protection.

In addition, the federal government is providing start-up support for the establishment of the Canadian Intellectual Property Institute (CIPI), a private body that will promote advanced intellectual property research and education.

## 12. Build a National Electronic Highway

- ***Proposed Action:***

Link Canada by building a high-speed, broad-band electronic "information highway," funded jointly by the private and public sectors.

- ***Principal Actors:***

The private sector, including telecommunications industries, consumer and public interest groups, with support from provincial and federal governments.

- ✓ ***Progress to Date:***

The private sector and the federal government have agreed to work together to establish the Canadian Network for the Advancement of Research, Industry and Education (CANARIE). The network is now in its first phase of development. The federal government has provided \$26 million and the private sector is contributing \$87 million in direct and indirect investments for the first phase.

The network will link researchers in firms, research institutions and the education community throughout Canada and will facilitate the development and promotion of key enabling technologies for collaborative research and education. In addition, CANARIE will provide a test-bed for advanced networking products and services, and will upgrade the capacity of the existing national Research and Development and Educational Network -- CA\*net.

Development of the network is being led by CANARIE Inc., a private sector, not-for-profit consortium of firms involved in Canada's telecommunications industry.

CANARIE will be a national resource. Its full impact will be in how wisely and creatively it is used by educators, students, businesses and others.

## 13. Ease the Access to Global Capital

- ***Proposed Action:***

Harmonize current provincial security laws, registration procedures and reporting requirements, in order to:

- facilitate access across all domestic and international borders;
- broaden sources of availability;
- reduce direct issuance and administrative expenses; and
- permit the further diversification of risk profiles.

- ***Principal Actors:***

Federal and provincial governments, in consultation with investment dealers and their regulators and foreign securities commissions.

- ✓ ***Progress to Date:***

Regulation of securities activities is a provincial responsibility. The federal government cannot take direct action to harmonize securities laws and regulations, but encourages the provinces to work together. There are obvious benefits to provincial initiatives, which improve access to domestic and international capital markets. A recent provincial initiative was the Multi-Jurisdictional Disclosure System, which allows qualified Canadian firms to issue securities in the United States with disclosure documents approved by Canadian regulators, and vice versa.

The federal government will continue to support harmonization and mutual recognition initiatives.

## 14. Open the Door to Long-term Investment

- ***Proposed Action:***

Develop a more dynamic and robust over-the-counter equity market as well as an initial public offering market for new companies to:

- encourage new and growing businesses to raise true external risk capital regardless of size;
- attract new and diverse investors to small- and medium-sized businesses;
- provide additional liquidity support for all investors;
- allow greater risks to be taken by the investors best able and willing to do so; and
- reduce the cost and complexity of registration and other requirements.

- ***Principal Actors:***

Provincial securities commissions, the Investment Dealers Association, the major chartered banks and the largest institutional investors.

- ✓ ***Progress to Date:***

This is an area of provincial responsibility. Serious questions have been raised about the efficacy of the proposal concerning the over-the-counter equity market. The Conference Board of Canada is currently undertaking research on the costs of initial public offerings, and a report is likely to be released in the fall.

## 15. Innovate with Financing Structures and Sources

- ***Proposed Action:***

Develop and actively promote a broadening of available financing tools and instruments, as well as the financing structures used to deliver those tools, in order to:

- support an expanded venture capital market that is fully integrated with the financial mainstream;
- increase availability of a wider, more flexible variety of financing options to the entire spectrum of potential issuers;
- tailor financing structures to customers' needs;
- ensure improved opportunities are available equally to community-based institutions, particularly co-operatives and credit unions;
- encourage the creation of new community financial institutions;
- expand use of the new Special Financing Corporations concept, now permitted under the Bank Act; and
- encourage formation of a new variety of traditional merchant bank and venture capital enterprises.

- ***Principal Actors:***

Investment dealers, banks, trust companies, institutional investors, venture capital associations, Chambers of Commerce, business groups and associations, and consumer groups.

- ✓ ***Progress to Date:***

The Department of Finance will consult with the financial institutions concerning the new regulations that allow them to establish specialized financing corporations.

## 16. Help Companies to Grow

- ***Proposed Action:***

Broaden the existing rules and mechanisms for small business to raise external equity in an efficient, cost-effective and liquid manner by:

- increasing the flexibility of investors and their willingness to take risks;
- permitting financial institutions to assume direct equity stakes in other than distress situations; and
- setting up information networks for businesses for sale and companies seeking investment.

- ***Principal Actors:***

The federal government, in consultation with business groups, the financial community and Chambers of Commerce.

- ✓ ***Progress to Date:***

The Minister of Finance has encouraged the banking community to improve access to credit by small businesses.

After extensive consultations with small business, the government amended the *Small Business Loans Act* in 1993 to broaden borrower access and increase participation by financial institutions. The chartered Banks supported these amendments, and indications are that small business lending will grow dramatically. Banks are also launching special programs to improve small business financing.

The 1992 Economic Statement included other small business initiatives: a temporary 10 per cent small business investment tax credit for purchases of eligible machinery and equipment; UI employer premium relief for 1993; extension of the Small Business Financing Program for two years; and simplified rules to encourage investment in small businesses through RRSPs/RRIFs, and prescribed labour-sponsored venture capital funds.

The 1993 Budget announced that, in response to representations on the equity capital needs of smaller, knowledge-based firms, the federal government would explore ways to develop mechanisms to encourage investors to support local companies and at the same time lend their expertise to help companies succeed.

## 17. Develop an International Business Strategy

- ***Proposed Action:***

Develop a co-ordinated global trade, investment and technology strategy to increase exports, double the number of firms exporting, and promote strategic alliances in order to capture a greater share of global markets. Define effective roles in training and promotion for businesses, trade associations and the federal and provincial governments.

- ***Principal Actors:***

The private sector, facilitated by a broadened International Trade Advisory Committee, with active involvement of business and trade associations, and federal and provincial governments.

- ✓ ***Progress to Date:***

In April, 1993, the federal government launched the 1993/94 edition of the International Trade Business Plan. The plan has been significantly expanded from the 1992 version to incorporate the activities of 15 government departments and agencies. It represents a major step toward achieving a co-ordinated global trade, investment and technology strategy and towards focusing government support. The 1994/95 exercise will be further expanded to involve more fully the trade development interests and activities of the provinces.

Governments cannot maximize Canada's trade potential acting alone; complementary actions are required on the part of industry. The private sector needs to take the lead in improving our ability to trade in the global marketplace, and to work with government to develop global trade, technology and investment strategies. Individual firms and more active industry associations hold the keys to Canada's success in this endeavour.

For example, the Canadian Chamber of Commerce, with support from the federal government, has introduced the Forum for International Trade Training (FITT). This is a professional training program on export development for small business owners and managers. It will provide new exporters with an introduction to doing business globally, including information about international finance, marketing, distribution systems and the law. FITT works in conjunction with other federal government programs such as New Exports to Border States and New Exporters Overseas.



## 18. Focus Government Support

- ***Proposed Action:***

Consolidate trade development programs to eliminate duplication and overlap. Concentrate federal government efforts on program delivery abroad by providing export incentives programs and export financing to match the global competition; and ensure timely dissemination of international market information by the Trade Commissioner Service through an easily accessed network.

Focus provincial government efforts (integrated with federal programs) on bringing new firms -- especially small- and medium-sized firms -- to export readiness, in particular through programs targeted at firms using the United States as a starter market.

- ***Principal Actors:***

The federal and provincial governments.

- ✓ ***Progress to Date:***

Increased collaboration is needed between the federal and provincial governments, e.g., the International Trade Business Plan [see Action 17]. As well, greater co-operation between governments and the private sector is required to ensure that scarce resources are used optimally.

The federal government recently surveyed 240 Canadian companies involved in international business to determine their specific market information needs. A government-wide network will be developed to improve the collection and dissemination of market information and intelligence.

In March, 1993, the federal government launched Access North America, a trade initiative designed to introduce Canadian companies to the Mexican market. This program includes the Canadian Business Centre in Mexico City, which was established to host Canadian trade shows and to provide companies with meeting space. In addition, companies new to the Mexican market will be able to participate in the New Exporters to Mexico program, as well as seminars and workshops to help educate exporters. The Fairs and Missions Program to both Mexico and the United States will be expanded, and a

program to capture investment opportunities arising from the NAFTA will be introduced.

Federal departments and the agri-food industry have prepared an Agri-food Trade Opportunities Strategy. This strategy will assist industry in identifying and exploiting export opportunities and will facilitate firms' ability to adapt efficiently and quickly to market demands.

The enabling legislation of the Export Development Corporation (EDC) is being amended to give the corporation more flexibility to support Canadian international business opportunities.

## 19. Open Access to Markets and Exercise Rights

- ***Proposed Action:***

Pursue a successful conclusion to the GATT trade negotiations and improve our trading relations with the new Europe, the Americas and the dynamic economies of the Asia-Pacific region. Pursue our trading rights aggressively through vigorous use of the dispute settlement procedures of the GATT and the Free Trade Agreement (FTA). Bring import duty rates on inputs into line with U.S. rates. Seek to replace anti-dumping trade practices under the FTA with competition policy.

- ***Principal Actors:***

The federal government, in consultation with the International Trade Advisory Committee and trade associations.

- ✓ ***Progress to Date:***

The government continues to push for an early and successful conclusion of the Uruguay Round GATT negotiations.

The NAFTA agreement has been negotiated and work is continuing on environment and labour side-agreements. NAFTA legislation is before the House.

Government has provided strong support to industry regarding Canada-U.S. and GATT disputes.

Consultations with business have indicated broad support for a detailed, long-term study of the Customs Tariff and related regulations with a view to simplifying the tariff regime and making it more transparent.

Advancing Canada's interests in these areas requires the active involvement of the private sector.

## 20. Build on Canada's Strengths

- ***Proposed Action:***

Establish a Centre of Excellence for Sustainable Development to encourage joint research and development by industry, universities and governments.

- ***Principal Actors:***

Governments, in collaboration with the private sector and universities.

- ✓ ***Progress to Date:***

The federal and Manitoba governments have jointly provided start-up funds for the International Institute for Sustainable Development in Winnipeg. It works with universities and business on a wide range of issues.

Canada's Green Plan has put in place the following major programs to support the Canadian environmental industry:

- the Environmental Technology Commercialization Program provides financial assistance for first-time demonstrations of new environmental technologies judged to be technically and commercially viable.
- the Technology Transfer Program shares in start-up funding for the creation of new centres that will facilitate the commercialization of environmental technology. These facilities will provide comprehensive technical and business services to small- to medium-sized enterprises.

## 21. Use Market Mechanisms

- ***Proposed Action:***

Emphasize the use of economic incentives and the role of markets when adopting environmental regulations to achieve better balance among direct enforcement, self-regulation and economic forces.

- ***Principal Actors:***

First Ministers, with advice from national and provincial Roundtables on the Economy and the Environment.

- ✓ ***Progress to Date:***

The December 1992 Economic Statement announced that all existing and new regulations would be subject to a business competitiveness test. The test will help Ministers and regulators communicate better with those potentially affected by regulation. This will facilitate the design of regulatory approaches that achieve their objectives in the least burdensome manner possible, and will identify areas where more analysis and consultation are appropriate. One important area of the test's impact will be in identifying regulatory opportunities for using market incentives, rather than command and control mechanisms. The test has been developed through a private sector-government partnership and will be introduced shortly.

The potential usefulness of economic instruments to protect environmental quality is being examined in a number of forums. For example, the Economic Instruments Collaborative, a coalition of industry and environmental organizations, has reached consensus on some of the important design considerations in using economic instruments to resolve specific air pollution problems. Later this summer, following the release of this group's report, a workshop will be held to help raise the level of dialogue on this important subject.

## 22. Develop Models for Labour-Management Teamwork

- ***Proposed Action:***

Accelerate the development and promotion of Canadian models of labour-management teamwork by drawing on existing expertise, conducting pilot projects and assisting firms with advice and start-up support.

- ***Principal Actors:***

Canadian Labour Market and Productivity Centre, industry associations and labour unions, with enhanced support from Labour Canada.

- ✓ ***Progress to Date:***

The \$352 million Sectoral Partnerships initiative will bring together management and labour to develop and implement human resource plans and strategies, with a particular emphasis on increasing training effort. In recent years, the federal government has played a growing role in facilitating labour-management co-operation at all levels to address labour market training and other human resource issues. For example, through such programs as the Labour Management Partnership Program (LMPP) the federal government promotes dialogue and encourages labour and management to adopt innovative approaches to human resource issues at the workplace, firm and industry level. The federal government is considering an enhanced role in developing and promoting models of labour-management teamwork, including expansion of the LMPP and the promotion of workplace innovation.

## 23. Develop Labour-Management National Forums

- ***Proposed Action:***

Promote labour-management co-operation by building national forums for industry associations to pursue common objectives.

- ***Principal Actors:***

Canadian Labour Market and Productivity Centre, industry associations and labour unions.

- ✓ ***Progress to Date:***

The creation of sector human resource councils will enable labour and management to jointly address the human resource issues facing their particular sector. The federal government has been actively involved in promoting such partnerships. For example, it facilitated the establishment of the Canadian Labour Market and Productivity Centre (CLMPC) in 1984 to enhance joint efforts between business and labour toward improving productivity. As part of the Labour Force Development Strategy in 1989 and 1990, it established a labour and management consultation process on a variety of issues related to training and skills development. Following these consultations, which were co-ordinated by the CLMPC, the federal government facilitated the establishment of the Canadian Labour Force Development Board (CLFDB) in 1991 to ensure that the private sector plays a more active role in decisions affecting skills training. The federal government will continue to support the establishment of such partnerships and is now in the process of working with the various stakeholders to expand the \$352 million Sectoral Partnerships initiative to other key sectors.

## 24. Encourage Labour-Management Teamwork

- ***Proposed Action:***

Adopt labour-management teamwork as the normal way of doing business in Canada.

- ***Principal Actors:***

Canadian shareholders, managers, national and industrial associations and unions.

- ✓ ***Progress to Date:***

The federal government supports the full participation of all labour market partners. It fully agrees with the principle of labour-management teamwork, and in recent years has actively facilitated the creation of such partnerships at all levels and will continue to do so. [See Actions 22 and 23].



## 25. Encourage Employee Adjustment

- ***Proposed Action:***

Develop a comprehensive, nation-wide approach to worker adjustment.

- ***Principal Actors:***

Canadian Labour Market Productivity Centre, federal and provincial governments, Prosperity Council.

- ✓ ***Progress to Date:***

The federal government has made "active" re-employment measures a major element of its adjustment strategies. This new focus led to major changes to the *Unemployment Insurance Act* in order to direct more funds to retraining and other active reemployment assistance. The budget for such programs increased from \$500 million in 1990 to \$2.21 billion in 1993. The CLFDB provides advice to the federal government on this budget and the individual program components.

Under the Special Initiative for Displaced Workers, \$300 million of the \$2.21 billion will be specifically directed towards assisting laid-off workers having a long-term attachment to the labour force.

The Canadian Labour Force Development Board's Task Force on Labour Adjustment has just completed its report making a number of recommendations to the federal government regarding adjustment programming. The federal government will work with the CLFDB to review the recommendations and decide what action is required.

The Program for Older Worker Adjustment (POWA), which is jointly administered and financed by the federal government (70%) and the provinces (30%), provides assistance to older workers who have been affected by major layoffs and who have no prospects for re-employment. Over the past four years, funds totalling \$274 million have provided income assistance to approximately 6 000 older workers. The federal government will continue to work with the private sector, the provinces and others to pursue such adjustment measures.

## 26. Establish a Canadian Forum on Learning

- ***Proposed Action:***

Establish a Canadian Forum on Learning made up of users and providers of education and training, to work toward common goals.

- ***Principal Actors:***

Prosperity Council.

- ✓ ***Progress to Date:***

To facilitate the feasibility work required related to the Canadian Forum on Learning, the federal government has provided \$50 000 in seed funding. A broad coalition of private sector stakeholders, including business, professional groups, education and social action groups, has recently formed to support the establishment of the Forum. The coalition is now seeking to broaden the base of involvement even further, to include representatives of providers, consumers, clients and funders of education in Canada. In particular, the advice, input and participation of the provinces, which have constitutional jurisdiction in the area of education, is vital.

A primary objective of the Forum will be to bring together stakeholders involved in education and training throughout Canada so they can establish common goals and work together to establish mechanisms that would measure results. Such a Forum must be independent, be accorded recognition for its role and receive willing co-operation in its operations from both levels of government and from groups and institutions within the area of learning.

## 27. Change the Focus to Competence-based Systems

- ***Proposed Action:***

Introduce a competence-based system to cover all levels of education and training.

- ***Principal Actors:***

Governments; universities and colleges; employers, labour and sector associations through the CLFDB.

- ✓ ***Progress to Date:***

In the December 1992 Economic Statement, the federal government allocated \$90 million over five years (out of a total of \$250 million for the Sectoral Partnership Initiative) to assist the private sector in developing standards for a broad range of skill areas. This support continues the federal and provincial governments' ongoing effort related to the development of occupational standards as a means of providing broad recognition of skills, particularly in apprenticeable trades, through the Red Seal program.

The federal government has co-operated with the provinces to establish the Canadian Information Centre for International Credentials to facilitate the recognition of foreign and Canadian credentials. Joint funding to date totals \$300 000.

The federal government has recently completed an extensive study on occupational standards and certification processes and methodologies in Canada and other countries. The intent of this study is to foster dialogue on issues such as competence-based systems. Such dialogue is also being promoted by the CLFDB, which has begun an extensive consultation process on occupational standards among its various constituent groups.

As well, in March 1993, the Council of Ministers of Internal Trade confirmed intergovernmental support for a comprehensive negotiation process to reduce barriers to interprovincial trade. As part of this process, Labour Market Ministers agreed to take responsibility for labour mobility, which includes issues related to occupational standards. Negotiations will commence in July 1993, with agreement expected by June 1994.

## 28. Monitor System Achievements

- ***Proposed Action:***

Develop a set of indicators to assess student achievement in relation to Canadian and international standards and expand the School Achievement Indicators' program of the Council of Ministers of Education, Canada (CMEC) to more subject areas and age groups.

- ***Principal Actors:***

The CMEC, the CLFDB and the Canadian Forum on Learning.

- ✓ ***Progress to Date:***

The federal government is providing \$2 million over five years for Canada to co-ordinate the Third International Mathematics and Science Study in 1994. The study will provide international comparisons of the mathematics and science skills of 9-, 13-, and 16-year-old students in participating countries and jurisdictions. Fifty-six countries have indicated their interest in participating in the study. The federal government is discussing additional funding to facilitate Canadian participation, and is also supporting Canada's participation in an international literacy survey to be held in 1994. The federal government has funded several national graduate surveys, which measure the labour market outcomes of post-secondary graduates and, in 1991, funded the \$2 million School Leavers Survey, which examines what happens to high school graduates and drop-outs.

The federal government will continue to support the efforts of the CMEC and others to develop indicators of achievement.

## 29. Make a Commitment to Quality and Service

- ***Proposed Action:***

Apply the principles of continuous quality improvement to learning institutions.

- ***Principal Actors:***

Schools, post-secondary institutions and school boards with the co-operation of their clients.

- ✓ ***Progress to Date:***

The federal government has worked to strengthen higher education by supporting work undertaken by the Association of Universities and Colleges of Canada, the Canadian Association of University Teachers, and the Association of Canadian Community Colleges.

Federal government activities that support the principles of continuous quality improvement to learning institutions include: training purchases based on results; the recent \$500 000 human resource study of community colleges; and many of the activities of the Sectoral Partnership Initiative, which encourages the private sector to work with the education community to identify skill needs and relevant quality curricula.

### **30. Provide All Children with a Good Start**

- ***Proposed Action:***

Ensure that children get the right start in school.

- ***Principal Actors:***

All levels of government, employers and voluntary and community organizations.

- ✓ ***Progress to Date:***

In order to ensure that all children come to school ready to learn, the federal government has made a number of commitments through the Brighter Futures initiative (\$300 million over five years), which encompasses a range of programs to promote the health and social development of children, particularly young children at risk.

## 31. Bring the World of Work into Schools

- ***Proposed Action:***

Ensure that young people are ready to enter the world of work when they leave school by strengthening existing vocational and trades programs, broadening apprenticeship arrangements and expanding the number of co-operative education programs.

- ***Principal Actors:***

Federal, provincial and territorial governments, school boards and post-secondary institutions, in collaboration with communities, employers and unions.

- ✓ ***Progress to Date:***

The federal government spends \$15 million annually on co-operative education programs in secondary and post-secondary institutions and is committed to increasing this amount. Co-op education facilitates the transition from school to work for youth. Through the Stay-in-School initiative, the federal government has funded hundreds of projects that provide young people with exposure to the world of work through job shadowing, Adopt-a-School, and business-education partnerships. The Innovators in the Schools initiative, launched in 1990 in co-operation with the provinces, is a grass-roots, community-based initiative that brings scientists, engineers, technicians and technologists into elementary and secondary classrooms to encourage students to explore careers in these fields. The Canada Scholarships Program (\$106 million over four years) aims to encourage excellence and greater enrolment in science, mathematics, engineering and technology-related programs in universities and colleges. Increased participation by women in these areas is an important goal of this program. The federal government also provides a wide range of career information to students, and through Canada Career Week encourages communities to become involved with schools through career fairs, visits to workplaces and other orientation events.

Federal, provincial and territorial governments are currently undertaking a number of joint labour market initiatives, including best-practice research studies on models of on-the-job entry level training and school-to-work programs that exist within the education system.

## 32. Encourage Secondary School Completion

- ***Proposed Action:***

Develop and implement strategies in each community to ensure that all youth complete secondary school.

- ***Principal Actors:***

School boards, schools, parents and communities.

- ✓ ***Progress to Date:***

The federal government has committed \$296 million over five years to the national Stay-in-School initiative, a highly successful collaborative effort. The federal government has been working since 1990 in co-operation with the provinces and stakeholders at the local level to reduce the number of young Canadians not completing high school. The Stay-in-School initiative helps to raise awareness and mobilize action to deal with the drop-out problem in local communities across the country. Completion of secondary school is also a focus of the federal-provincial youth strategies in New Brunswick and Newfoundland.

At the high school level, the federal government's co-operative education program helps students to understand career options and can generate an interest not only in staying in school, but also in going on to post-secondary education.



### 33. Encourage Change in Post-Secondary Institutions

- ***Proposed Action:***

Encourage post-secondary institutions to become as flexible as possible and more responsive to changing requirements.

- ***Principal Actors:***

Universities and colleges with the co-operation of their communities.

- ✓ ***Progress to Date:***

The federal government provides over \$6 billion in support for post-secondary education through transfers to provinces and territories (including \$4 billion in tax transfers), nearly \$900 million in support to university research, nearly \$800 million in aid to students, and \$300 million in other forms of assistance, for a total of approximately \$8 billion.

In recent years the federal government has increasingly used private sector organizations operating at the local level to purchase training courses for unemployed workers and others. The federal government believes that identifying training needs and providers at this level will encourage such flexibility and responsiveness. Also as noted under Action 27, the federal government is supporting the development of occupational standards that will allow the private sector to clearly identify their skill needs. This process will also involve the private sector working with educators to develop curricula to address the skills identified. As noted under Action 29, the government has provided the Association of Community Colleges of Canada with funding to study their changing human resource needs.

The federal government has recently begun working with the National Educational Organizations Committee, (NEOC) to develop strategies that are more responsive to clients' training needs.

(NEOC represents all training providers in Canada and is the Committee that supports the education representative on the CLFDB.)

## 34. Promote Employer-led Training

- ***Proposed Action:***

Encourage employers, particularly those with small work forces, to increase work force training.

- ***Principal Actors:***

All employers, business and industry organizations, in co-operation with workers and unions, the CLFDB and the NQI.

- ✓ ***Progress to Date:***

In the December 1992 Economic Statement, the federal government announced that an additional \$250 million will be spent over five years, bringing total expenditures to \$352 million, to expand the successful sectoral partnership approach to human resource development. The primary purpose of the Sectoral Partnership Initiative is to promote increased commitment and investment by the private sector in upgrading the skills of its work force. As well, a key mandate of the CLFDB is to promote a strong training culture in Canada. The federal government also sponsored the \$2.2 million 1991 National Training Survey, conducted under the guidance of the Canadian Labour Market and Productivity Centre (CLMPC), and is committed to the next survey.

As a follow-up to the 1992 First Ministers Meeting, a joint federal-provincial paper entitled "Increasing Private Sector Investment in Training" was recently released. The paper, part of the work plan of Labour Market Ministers, presents a series of monetary and non-monetary options and is now being reviewed by the private sector.

## **35. Promote Management Training and Executive Development**

- ***Proposed Action:***

Improve the skills of Canadian managers.

- ***Principal Actors:***

Prosperity Council in collaboration with the NQI, major businesses and industry organizations, labour unions, the Canadian Labour Market and Productivity Centre, and providers of management and business training.

- ✓ ***Progress to Date:***

While not the principal actor, the federal government has established the Canadian Centre for Management Development, which serves its own senior management. The Public Service Commission through the Executive Interchange program also supports the improvement of managerial skills.

## 36. Increase Telecommunications and Information Technologies and Learning

- ***Proposed Action:***

Expand the use of telecommunications and information technologies, such as computer-assisted learning, distance education and video/televisions.

- ***Principal Actors:***

School boards, communities, businesses and governments. The federal government can help build the infrastructure by sharing the costs of computers and related software with the provinces and schools.

- ✓ ***Progress to Date:***

The federal government actively supports technology initiatives that enable education institutions to use state-of-the-art technology in learning. For example, in May 1992, it announced \$5.4 million in funding for an adult learning project in Northern Ontario that uses a computer-managed learning system to provide industrialized, self-paced learning to unemployed individuals.

Also in 1992, the federal government and the CMEC jointly developed a strategy to increase the capability of a new media publishing industry to provide new media learning materials that use modern technologies, and to export the products abroad. The federal government has contributed \$990 000 over two years for six pilot projects, to be completed in March 1994 and followed by the implementation of a permanent program.

The federal government has also launched a project to identify surplus government computer software and other educationally useful products for distribution to schools across Canada through an arm's length body. A number of computers have already been distributed. As well, the federal government is spending \$2.5 million over five years to demonstrate the applicability and feasibility of using a variety of instructional technologies for workplace training. Through the Jean Talon Project, it has developed a state-of-the-art multimedia approach to learning about Canada -- a \$750 000 pilot project involving provincial, university and private sector partners is under way.

The government has also recently announced \$26 million for Phase I of the Canadian Network for the Advancement of Research (CANARIE) [see Action 12]. CANARIE will enable world-class, high-speed communications, information networking, R&D, information access and the creation of new education techniques. One of the primary goals of CANARIE is to support more effective education through enhanced collaboration and worldwide access to information and resources.

The Innovators in the Schools program mentioned in Action 31 encourages the development of a science and technology culture in Canada.

## 37. Create a Learning Network Based on Technology Links

- ***Proposed Action:***

Use existing telephone and cable lines to create an inexpensive electronic learning network.

- ***Principal Actors:***

Cable, telephone and satellite companies, with the federal government to remove any regulatory or policy restrictions.

- ✓ ***Progress to Date:***

In addition to the \$26 million for Phase I of CANARIE, mentioned in Actions 12 and 36, the federal government is also looking at the regulatory changes that would be required to create an inexpensive learning network.

At the same time, the federal government has initiated a year-long pilot project to link some of Canada's most technologically intensive schools into a national electronic network to form the catalyst for an expansion of this technology throughout Canada. In addition, it is supporting the newly formed Canadian Educational Network Coalition. The goals of this coalition are:

- to provide advice to relevant agencies and suppliers on accessibility, rate structures and availability of services;
- to foster partnerships related to the development of on-line resources; and
- to share information relating to curriculum materials and professional development programs related to education networking.

## 38. Prepare Teachers for Change

- ***Proposed Action:***

Ensure that teachers and other learning professionals are properly prepared at all times for continuous change in the Canadian learning environment.

- ***Principal Actors:***

Ministries of education and universities, schools, school boards and the teaching profession.

- ✓ ***Progress to Date:***

The federal government has funded a \$350 000 study to assess the various human resource challenges facing community colleges in Canada.

The federal government's "Prime Minister's Awards for Teaching Excellence in Science, Technology and Mathematics" was launched in January 1993 to promote excellence in science, technology and mathematics. The initiative targets teaching at the secondary school level by providing annual awards totalling \$585 000 to educators who have had a major, proven impact on student performance and interest in these disciplines. Work carried out under the Stay-in-School initiative with deans of education, teachers' federations, and school principals encourages a focus on student retention [see Action 32].

## 39. Conduct Research in Education and Training

- ***Proposed Action:***

Increase the amount and effectiveness of applied research into education by setting aside a fixed percentage of federal-provincial funds for applied R&D in education.

- ***Principal Actors:***

The federal government, working with the Social Sciences and Humanities Research Council and the Natural Sciences and Engineering Research Council.

- ✓ ***Progress to Date:***

In 1993, the Social Sciences and Humanities Research Council will provide over \$6 million in support for education research. This includes \$4.3 million in regular research grants and \$840 000 under the "Education and Work in a Changing Society" strategic theme. Nearly \$750 000 will be provided for doctoral and post-doctoral fellowships in education. An additional \$10 million will be provided over three years for training and education research to help guide social policy development.

As noted under Action 36, the primary purpose of the newly announced CANARIE project is the advancement of research, including education research:



## 40. Increase International Focus of Education and Training

- ***Proposed Action:***

Increase the international focus in curricula, research and scholarship.

- ***Principal Actors:***

Federal, provincial and territorial governments, schools and post-secondary institutions, promoted by the Canadian Forum on Learning.

- ✓ ***Progress to Date:***

Each year the federal government provides about \$16 million in support of the international dimension to higher education. It does so through scholarly exchange programs such as the Canadian Commonwealth Scholarship and Fellowship Plan, the Government of Canada scholarships program, the Canada-China scholarly exchange, and the Fulbright program with the United States. In addition, it supports the development of Canadian Studies in some 25 countries abroad and supports youth and other exchanges. In collaboration with the provinces through the CMEC, it supports international policy dialogue with respect to educational interests. Through the Canadian International Development Agency (CIDA), the government supports a number of other international education-related projects involving Canadian institutions and faculty.

The government is currently exploring ways to implement a collaborative policy framework on the international dimension of higher education in Canada, and is participating with Mexico and the United States in a process designed to increase North American co-operation in higher education, research and training. Specific proposals and action plans will be presented at an international conference to be held in Canada in the fall of 1993.

Canada/European Commission workshops on distance learning and training were also held in 1991 in Europe and 1993 in Canada (involving private sector companies, education organizations and governments) to promote collaborative R&D and content development in the field.

## 41. Encourage a Commitment to Learning

- ***Proposed Action:***

Encourage all Canadians to make an active commitment to learning throughout life, and to support education and training for all Canadians.

- ***Principal Actors:***

All Canadians as consumers, parents, taxpayers, employers, employees and members of communities.

- ✓ ***Progress to Date:***

The increased use of Unemployment Insurance funds towards active reemployment measures, now \$2.21 billion, is to encourage individuals to upgrade their skills on an ongoing basis. The primary objective of many of the initiatives outlined under other Action Plan items is to promote a commitment to lifelong learning. Examples include the Sectoral Partnership Initiative, the advocacy work of the Canadian Labour Force Development Board, the Stay-in-School initiative, the National Literacy Program, and the Science and Technology Mobilization programs.

## 42. Campaign in Support of Learning Throughout Life

- ***Proposed Action:***

Put in place an effective Canada-wide communications campaign to increase the commitment of Canadians to learning.

- ***Principal Actors:***

Canadian Forum on Learning, and the federal government to provide seed funding and facilitate the involvement of provinces and territories, business, educators and the media.

- ✓ ***Progress to Date:***

In 1988, the federal government announced the Science and Technology awareness campaign to promote the development of a science culture in Canada, particularly among youth.

Since 1988 a national literacy public awareness campaign has promoted understanding of the issue of literacy and encourages the involvement of all Canadians.

In 1990, the federal government launched the Stay-in-School initiative, which is helping to raise awareness among young people of the importance of completing high school. These campaigns have been done in partnership with the provinces and the private sector.

## 43. Increase Opportunity for All

- ***Proposed Action:***

Strengthen efforts to hire and promote from under-represented groups, introduce measures to facilitate productive relationships between workers of different backgrounds, and use annual reports to indicate progress toward a more representative work force.

- ***Principal Actors:***

All public and private sector employers in partnership with unions and employee associations, workers, community groups and consumers.

- ✓ ***Progress to Date:***

The federal government is committed to increasing the participation of target groups in the labour market. As an employer, the federal government is committed to taking the lead in achieving a public service that is representative of the Canadian population and that has taken strong measures to ensure that its hiring practices are fair and that employees have access to flexible working arrangements. The federal *Employment Equity Act*, proclaimed in 1986, applies to federally regulated employers and Crown corporations with 100 or more employees. It requires them to develop and implement comprehensive employment equity plans and programs.

The federal government also participates in the National Strategy for the Integration of Persons with Disabilities (\$158 million overall), which will help to increase the participation of persons with disabilities in federal programs and services. The strategy also supports partnership initiatives between employers, unions and persons with disabilities to create more integrated employment and training opportunities. The federal government is also funding (\$150 000) the Job Accommodation Network (JAN), a consultative service data bank that provides information and advice to Canadian employers and individuals on how work sites can better accommodate the needs of persons with disabilities.

## 44. Restructure the Workplace

- ***Proposed Action:***

Expand team-based work arrangements, increase the use of technologies, adopt flexible working hours and broaden human resource management to make the structure and organization of work more flexible.

- ***Principal Actors:***

All private and public sector employers, in conjunction with labour.

- ✓ ***Progress to Date:***

As an employer, the federal government has been active in encouraging flexibility and innovation in the workplace. Building on PS2000 values and practices, managers are encouraged to empower their employees and to foster work environments in which creativity, initiative, trust, teamwork and excellence in the delivery of government service will flourish. The federal government has approved an employer policy on workplace day-care centres, which is now being implemented, and is also undertaking a pilot project on telework (work at home). Through the Canadian Electronic Commerce Committee, the federal government and the private sector are examining the impact of the implementation of electronic commerce on the structure of the workplace.

As well, under the Canada Labour Code, which applies to federally regulated employers and Crown corporations, employers, in co-operation with their employees (or their representatives), are able to adopt flexible working arrangements. The Canada Labour Code also makes provision for labour and management to negotiate issues related to introducing new technologies into the workplace.

## **45. Increase the Use of Technology by Aboriginal Peoples**

- ***Proposed Action:***

Develop a co-ordinated plan to encourage the identification and use of leading technologies by Aboriginal enterprises. Establish models, joint ventures and pilot projects to promote technology use.

- ***Principal Actors:***

Aboriginal enterprises, federal department of Industry, Science and Technology (Aboriginal Economic Programs).

- ✓ ***Progress to Date:***

An Aboriginal Science and Technology Strategy is currently being developed to address these challenges. New funding for initiatives in this area has been approved as part of a \$4 million allocation for additional support to achieve Aboriginal economic development goals [see Action 48].

A major objective of the Strategy will be to improve access by Aboriginal businesses to existing technology diffusion agents, both public and private sector. It will assess the need for the development of services tailored to unique circumstances of Aboriginal enterprises. It will also include initiatives to encourage greater awareness of, and interest in, science and technology among Aboriginal students in order to build future technological capabilities.

In developing this initiative, consultations will be undertaken with Aboriginal groups and other interested parties.

## 46. Promote Aboriginal Learning

- ***Proposed Action:***

Develop curricula and create learning environments that respect and promote Aboriginal values, traditions and language while encouraging excellence in basic and advanced education.

- ***Principal Actors:***

Aboriginal communities, with provincial and territorial education departments and school boards and responsible federal departments.

- ✓ ***Progress to Date:***

The federal government currently spends about \$900 million on education programs for status Indians living on reserves. This ensures that all eligible individuals have access to elementary and secondary education, and includes assistance for attendance at post-secondary institutions. The federal government has also committed \$200 million per year to new Aboriginal employment and training initiatives under "Pathways to Success," which was announced in November 1990. A key element of "Pathways to Success" is the establishment of boards at the local, regional and national levels that are responsible for establishing training and employment priorities responsive to the needs of Aboriginal people in local areas.

## **47. Improve Access to Capital and Strengthen and Expand Aboriginal Business and Financial Institutions**

- ***Proposed Action:***

Support Aboriginal enterprises through direct investment and through investment in Aboriginal capital corporations.

- ***Principal Actors:***

Banks, trust companies, pension funds, Investment Dealers Association, Canadian Bankers Association, Aboriginal Economic Programs and Aboriginal communities.

- ✓ ***Progress to Date:***

The federal government's Aboriginal Business Development Program has invested in over 2 900 Aboriginal businesses since it began in 1989. To date, 33 Aboriginal Capital Corporations in Canada have been capitalized through this program.

Achieving the Aboriginal vision of economic self-reliance clearly depends on strong leadership within the Aboriginal community including Aboriginal, political, economic and financial institutions. In addition, however, support will be required from non-Aboriginal private sector institutions and governments. For example, there may be opportunities for the banking sector to co-operate with Aboriginal Capital Corporations and improve its services to Aboriginal businesses.

Partnerships will be actively engaged by the federal government in order to:

- support the development of profitable, Aboriginal-owned and operated commercial ventures;
- enhance the Aboriginal financial institutions network;
- involve mainstream financial institutions in the development of Aboriginal businesses;



- support the development of a pool of Aboriginal individuals with business development and analytical skills;
- support financially the establishment and operation of Indian and Inuit community Economic Development Organizations; and
- provide funding to assist First Nations in accessing natural resource opportunities in and around their reserves and communities.

## 48. Increase the Number of Aboriginal Companies That Export

- ***Proposed Action:***

Provide more scope for Aboriginal enterprises to participate in trade missions, trade fairs and other trade activities abroad. Provide better understanding of potential Aboriginal markets, pursue domestic and international marketing opportunities and explore potential international markets for Aboriginal products.

- ***Principal Actors:***

Aboriginal businesses and business organizations, in partnership with other Canadian business organizations and the federal and provincial governments.

- ✓ ***Progress to Date:***

Innovative approaches are required in order to increase the export performance of Aboriginal enterprises.

For example, Aboriginal institutions are eager to establish networks to share expertise and develop a better understanding of markets. Ways are being sought to make export promotion activity -- including market intelligence and services and export assistance programs -- more sensitive and accessible to Aboriginal businesses. As a first step, the federal government is sponsoring an Aboriginal Business Awareness Week, which includes a trade show and workshop activity to bring together Aboriginal businesses and federal government industry specialists in order to explore market opportunities in Canada and abroad.

Further steps will be taken to ensure that federal government trade specialists and program delivery agents link up with Aboriginal businesses to support the marketing abroad of their products and services. New funding for initiatives in this area has been approved as part of a \$4 million allocation for additional support to achieve Aboriginal economic development goals [see Action 45].

Co-operation and support from non-Aboriginal businesses would contribute to greater achievements in this area.

## **49. Promote Aboriginal Management and Executive Training**

- ***Proposed Action:***

Use interchange and other similar programs to train Aboriginal business managers.

Develop training programs for Aboriginal managers at institutions of higher learning.

Identify Aboriginal leaders in management practices and encourage them to share knowledge with others.

- ***Principal Actors:***

Aboriginal and non-Aboriginal institutions of higher learning, including the University of Lethbridge, Trent University, Saskatchewan Indian Federated College, Saskatchewan Institute of Technology, Canadian Council for Native Business and university and college business schools.

- ✓ ***Progress to Date:***

The specific initiatives proposed under this Action are primarily outside the scope of the federal government.

Supporting the general objective of this Action, economic development and training in Aboriginal communities is assisted by the "Pathways to Success" initiative. The federal government invests \$200 million per year through this program, which supports the establishment of boards at the local, regional and national levels. These boards determine training and employment priorities for local areas, they support and adapt Aboriginal training and employment policy, and consider policy and program development as it applies to Aboriginal people. This ensures that the training sponsored by the federal government is responsive to the needs of Aboriginal people.

## 50. Assist People: Review Income Security Programs

- ***Proposed Action:***

Develop an integrated approach to assistance that provides income security as well as counselling, training, relocation assistance and other support.

- ***Principal Actors:***

Prime Minister and premiers to initiate the process as a top priority and involve affected groups in planning and implementing change.

- ✓ ***Progress to Date:***

The federal government has made "active" re-employment measures a major priority. This includes providing counselling, training, relocation assistance and other support to assist in the reintegration of individuals into the labour market.

Federal-provincial employability agreements for social assistance recipients have also been in place since 1985, and are designed to help recipients participate in employment and training programs. A second generation of these agreements has been or is being negotiated bilaterally with the provinces. In addition, a major research project is under way, which is designed to test an intervention aimed at helping job-ready people leave welfare, obtain employment, and achieve self-sufficiency based on their earned income within a reasonable period of time. It will operate over eight years at a cost of \$69 million.

A working group of provincial and federal officials is examining barriers and disincentives to employment and training in the context of current income support programs, and will report back to First Ministers with recommendations later in 1993.

## 51. Assist People: Eradicate Illiteracy and Innumeracy

- ***Proposed Action:***

Launch a nation-wide campaign to reduce illiteracy.

- ***Principal Actors:***

Canadian Forum on Learning, provincial and territorial governments, literacy and community groups, Aboriginal organizations, national business associations, consumer groups, labour unions and appropriate federal departments.

- ✓ ***Progress to Date:***

The federal government provides funding for joint initiatives with all the provinces and territories, with voluntary organizations (both literacy and non-literacy groups) and with business and labour. The National Literacy Secretariat works as a catalyst and facilitator with all sectors of Canadian society to improve the levels of adult literacy through the National Literacy Program. The Program aims at addressing the problem of adult illiteracy through both preventative and remedial activities. As well, the federal government has adopted a variety of approaches to literacy training. They include:

- literacy segments in project-based training;
- support for the efforts of employers to improve the literacy skills of their employees through workplace-based training under the Labour Market Adjustment Program; and
- the Literacy Corps program, which provides funding for organizations to recruit and train volunteer tutors who subsequently provide literacy training for youth.

## **52. Assist People: Upgrade Academic and Skills Training for the Economically Disadvantaged**

- ***Proposed Action:***

Provide more flexible community-based, client-centred training programs that include basic literacy, academic upgrading, life skills and skills training.

- ***Principal Actors:***

Voluntary and community-based organizations, with funding by governments.

- ✓ ***Progress to Date:***

The federal government currently provides \$200 million annually to support activities conducted under employability enhancement agreements, targeted at social assistance recipients. As well, the federal government provides assistance to individuals through other activities designed to meet local needs, including programs under the Canadian Jobs Strategy, the use of Unemployment Insurance funds for "active" reemployment measures and the National Literacy Program.

Federal, provincial and territorial governments are negotiating new, five-year employability enhancement agreements based on co-operative federal provincial/territorial partnerships that will more effectively help social assistance recipients obtain access to and fully benefit from the training and support services they need to successfully integrate into the Canadian labour market.

## 53. Improve the Economic Health of Communities

- ***Proposed Action:***

Strengthen and better co-ordinate local economic development programs sponsored by federal, provincial and municipal governments.

- ***Principal Actors:***

Community economic development groups and support agencies, municipal, provincial and federal governments, Prosperity Council.

- ✓ ***Progress to Date:***

Since 1987, Community Futures has assisted 230 local labour market areas and the more than 7.26 million Canadians who live in these communities. The Community Futures program helps communities to identify, develop and implement strategies for local employment development and adjustment by expanding permanent employment and helping individuals to adjust. Community Futures also includes the Self-Employment Assistance component, introduced in May 1992 as a vehicle to create new employment.

As well, the CLFDB is currently supporting efforts to establish labour force development boards at the local level, in order to build a structure that will permit the involvement of labour market partners at all levels in developing appropriate human resource strategies.

## 54. Establish a Prosperity Council

- ***Proposed Action:***

Establish a national monitoring and evaluation body to promote the Action Plan and encourage implementation of its recommendations.

The Council would undertake the following tasks:

- promote implementation of the action plan and issue public progress reports;
- provide leadership, foster partnerships and continue consensus building;
- evaluate and report upon Canada's competitiveness;
- establish the Canadian Forum on Learning and work with the NQI, the Canadian Labour Market and Productivity Centre, the CLFDB, and other organizations towards shared objectives; and
- monitor federal and provincial government laws, regulations and fiscal policy vis-à-vis their impact on competitiveness and benefit-costs to the national economy.

- ***Principal Actors:***

The federal government, in consultation with provincial governments and the private sector as represented by business, labour, educators, consumers, and voluntary and social policy groups.

- ✓ ***Progress to Date:***

The Action Plan sets out a vision of a Prosperity Council as an independent, non-partisan body made up of individuals from a variety of backgrounds. The Council would encourage all responsible parties to pursue the recommendations made in the Action Plan.

The Steering Group recommended that the federal government fund the Council initially, with the private sector assuming financial responsibility after three years.

A number of organizations have taken up the challenge to develop a detailed proposal for establishing a Prosperity Council along the lines outlined in the Action Plan. Several business, social policy, educational and labour groups are involved in this effort, along with a number of individuals, including former members of the Steering Group. The federal government has responded positively to this consortium's request for seed funding.



## **Response to Industry Sector Consultations to Date**

### ● ***Proposed Actions:***

As part of the Prosperity Initiative, sector-based groups analyzed their competitiveness challenges in such critical areas as training, technology, marketing, environmental management and workplace organization. The sectoral consultations brought together management, workers, educators, consumers and suppliers to produce sector-based consensus reports.

These consultations produced a comprehensive set of sector-specific actions by all parties to address the competitive issues facing Canadian industry.

### ✓ ***Progress to Date:***

Federal responses have been developed that are tailored to the particular needs of the following sectors:

- Aerospace and Defence Electronics
- Automotive
- Business Services
- Chemicals
- Construction and Capital Projects
- Fabricated Materials
- Food Products
- Forest Industries
- Furniture
- Industrial and Electrical Equipment
- Information Technologies
- Metals and Minerals
- Seafood and Marine Products
- Steel
- Tourism

Sectoral response initiatives are also being carried out by the departments of Agriculture, Finance, Forestry, and Energy, Mines and Resources.

- innovation initiatives including technology development, diffusion and transfer;
- organizational innovation and total quality management initiatives;
- sector campaigns;
- sectoral market development initiatives;
- support for the consolidation and development of industry associations;
- support for strategic partnerships and alliances; and
- assessments of sectoral management and skills training requirements.

Accountability sessions have been held individually with most industry groups, and others will follow.